

1 SB294
2 218471-1
3 By Senator Albritton
4 RFD: Tourism
5 First Read: 03-MAR-22

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8 SYNOPSIS: This bill would implement the constitutional
9 amendment proposed in Senate Bill __ of the 2022
10 Regular Session, which establishes the Alabama
11 Education Lottery and Gambling Commission and
12 authorizes certain gaming activities in the state
13 under the regulation of the commission.

14 This bill would further provide for the
15 powers, membership, and duties of the commission.

16 This bill would create the Gaming
17 Enforcement Division within the commission and
18 provide for its powers and duties.

19 This bill would establish the Alabama
20 Gambling Trust Fund the Alabama Education Lottery
21 Trust Fund and would provide for the administration
22 and distribution of the funds therein.

23 This bill would provide for the issuance of
24 casino gaming licenses, sports betting licenses,
25 lottery retailer licenses, charitable fundraising
26 licenses, and management contract service provider
27 licenses.

1 This bill would authorize the commission to
2 assess civil penalties for violations and would
3 provide a process for hearings and appeals of a
4 violation.

5 This bill would provide criminal penalties
6 for certain violations.

7 This bill would levy a state tax on net
8 lottery and gaming revenues and would provide for
9 the distribution of license fees and tax proceeds.

10 This bill would further provide for criminal
11 penalties related to the unlawful activity
12 associated with gaming activities and sports
13 betting, and would repeal certain outdated gaming
14 provisions.

15 Amendment 621 of the Constitution of Alabama
16 of 1901, as amended by Amendment 890, now appearing
17 as Section 111.05 of the Official Recompilation of
18 the Constitution of Alabama of 1901, as amended,
19 prohibits a general law whose purpose or effect
20 would be to require a new or increased expenditure
21 of local funds from becoming effective with regard
22 to a local governmental entity without enactment by
23 a 2/3 vote unless: it comes within one of a number
24 of specified exceptions; it is approved by the
25 affected entity; or the Legislature appropriates
26 funds, or provides a local source of revenue, to
27 the entity for the purpose.

1 The purpose or effect of this bill would be
2 to require a new or increased expenditure of local
3 funds within the meaning of the amendment. However,
4 the bill does not require approval of a local
5 governmental entity or enactment by a 2/3 vote to
6 become effective because it comes within one of the
7 specified exceptions contained in the amendment.

8
9 A BILL
10 TO BE ENTITLED
11 AN ACT

12
13 Relating to gaming activities; to add Chapter 30 to
14 Title 41 of the Code of Alabama 1975, to provide legislative
15 intent; to provide definitions; to establish and provide for
16 the powers, membership, and duties of the Alabama Education
17 Lottery and Gambling Commission; to provide for the personnel
18 of the commission; to create an enforcement division within
19 the commission; to provide for representation of the
20 commission by the Attorney General; to further provide for the
21 licensure of gaming and sports betting activities; to provide
22 for the licensure of lottery ticket retailers and the
23 regulation thereof; to provide certain license fees and the
24 distribution of the fees; to establish the Alabama Gambling
25 Trust Fund and provide for the administration thereof; to
26 provide for the licensure of management contract service
27 providers; to provide for the assessment of civil penalties;

1 to provide for criminal penalties for certain violations; to
2 provide for a hearing and appeals process; to further provide
3 for the licensure of sports betting activities; to provide for
4 the licensure and regulation of lottery game activities; to
5 provide rulemaking authority; to provide for certain reporting
6 requirements by the commission; to levy a state tax on certain
7 lottery, gaming, and sports betting revenues and provide for
8 the distribution thereof; to establish the Alabama Education
9 Lottery Trust Fund; to amend Sections 13A-12-20, 13A-12-21,
10 13A-12-22, 13A-12-23, 13A-12-24, 13A-12-25, 13A-12-26,
11 13A-12-27, 13A-12-28, 13A-12-30, and 13A-11-9, Code of Alabama
12 1975, to update certain criminal penalties for unlawful gaming
13 activity associated with casino-style games and sports
14 betting; to add Sections 13A-12-32 through 13A-12-39,
15 inclusive, to the Code of Alabama 1975, to prescribe certain
16 activity relating to gaming as unlawful and to provide for
17 criminal penalties for violations; to repeal Section
18 11-47-111, Code of Alabama 1975, relating to prohibition of
19 gambling houses; to repeal Section 13A-12-29, Code of Alabama
20 1975, relating to lotteries drawn outside the state; to repeal
21 Divisions 2, 3, and 4 of Article 2 of Chapter 12 of Title 13A,
22 Code of Alabama 1975, relating to suppression of gambling
23 places, transportation of lottery paraphernalia, and the
24 federal waging occupational tax stamp; to provide for the
25 repeal of the act under certain specified conditions; and in
26 connection therewith would have as its purpose or effect the
27 requirement of a new or increased expenditure of local funds

1 within the meaning of Amendment 621 of the Constitution of
2 Alabama of 1901, as amended by Amendment 890, now appearing as
3 Section 111.05 of the Official ReCompilation of the
4 Constitution of Alabama of 1901, as amended.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Chapter 30 is added to Title 41 of the
7 Code of Alabama 1975, to read as follows:

8 Chapter 30. Alabama Education Lottery and Gambling
9 Commission.

10 §41-30-1. Definitions.

11 For the purposes of this chapter, the following
12 words shall have the following meanings:

13 (1) AUTHORIZED INTERNET SPORTS BETTING PLATFORMS. An
14 operator of an Internet-based platform who has been issued a
15 management service license by the commission to, and has
16 elected to, offer wagers pursuant to the terms of the license.

17 (2) COMMISSION. The Alabama Education Lottery and
18 Gambling Commission created by the proposed Senate Bill __ of
19 the 2022 Regular Session and further provided for in this act.

20 (3) DIRECTOR OF ENFORCEMENT. The Director of the
21 Gaming Enforcement Division.

22 (4) ENFORCEMENT DIVISION. The Gaming Enforcement
23 Division established by this chapter.

24 (5) EXECUTIVE DIRECTOR. The Executive Director of
25 the Alabama Education Lottery and Gambling Commission.

26 (6) GAMING ACTIVITY. Any casino game, activity, or
27 device approved by the commission, including, but not limited

1 to: Slot machines; video lotteries; video lottery terminals;
2 pari-mutuel wagering games on live or simulcast races; card
3 games, including, but not limited to, poker, baccarat, chemin
4 de fer, and blackjack; dice games; roulette; bingo; electronic
5 bingo; table games and electronic representations of such
6 games; electronic sweepstakes games, terminals, or devices;
7 and electronic gaming devices used to play these games. The
8 term includes electronic representations of any game included
9 within this subdivision.

10 (7) LICENSED LOCATION. A location, physical or
11 virtual, for which the commission has issued a license to
12 authorize gaming activity to be conducted therein.

13 (8) LICENSED OPERATOR. The owner of an authorized
14 Internet sports betting platform or licensed location, or a
15 wholly owned subsidiary entity of the owner of a licensed
16 location.

17 (9) LOTTERY GAMES. Any lottery approved by the
18 commission. The term may include, but is not limited to, a
19 state lottery, a multistate lottery, instant tickets,
20 scratch-off tickets, or any other draw-based lottery when
21 approved by the commission.

22 (10) LOTTERY RETAILER LICENSE. A license issued by
23 the commission to authorize lottery tickets to be sold on the
24 premises of the location.

25 (11) MANAGEMENT SERVICES PROVIDER. A person that,
26 pursuant to Section 41-30-43, holds a license to operate
27 sports betting in person at a licensed location or through any

1 authorized Internet sports betting platform on behalf of a
2 licensed operator holding a sports betting operator license as
3 authorized by the commission.

4 (12) NET GAMING REVENUE. The total amount of money
5 or value in any form received by a licensed operator as a
6 result of gaming activity, less the total money or value in
7 any form paid as prizes or winnings as a result of the play,
8 free play, or promotional play.

9 (13) NET GAMING REVENUE FOR SPORTS BETTING. The
10 total amount of money or value in any form received by a
11 licensed operator with respect to sports betting, excluding
12 free bets and promotional credits, less federal excise taxes
13 and the total money or value in any form paid as prizes or
14 winnings, including the cash equivalent of any merchandise or
15 thing of value awarded as a prize.

16 (14) POARCH BAND OF CREEK INDIANS. The federally
17 recognized Indian tribe within the State of Alabama known as
18 the Poarch Band of Creek Indians. The term includes a wholly
19 owned subsidiary of the tribe.

20 (15) SPORTS BETTING. The acceptance of wagers on
21 sporting events or portions of sports events, the individual
22 performance statistics of athletes in a sporting event, or a
23 combination of any of the same by any system or method of
24 betting authorized by the commission by rule.

25 §41-30-2. Alabama Education Lottery and Gambling
26 Commission created.

1 The Alabama Education Lottery and Gambling
2 Commission is created as a state agency to regulate the
3 conduct of all lottery games, sports betting, and gaming
4 activities conducted within this state, as authorized by the
5 Constitution of Alabama of 1901 and this chapter. The
6 commission shall be located in Montgomery County.

7 §41-30-3. Commission board of directors.

8 (a) The commission shall be governed by a board of
9 directors, as constituted pursuant to Senate Bill __ of the
10 2022 Regular Session.

11 (b) Members of the board shall be subject to the
12 Ethics Law, Section 36-25-1, et seq., Code of Alabama 1975.

13 (c) (1) The board shall meet at least quarterly and
14 at other times as called by the chair or a majority of the
15 board.

16 (2) Members of the board may participate in a
17 meeting of the board in person, by means of telephone
18 conference, video conference, or other similar communications
19 equipment so that all individuals participating in the meeting
20 may hear each other at the same time. Participation by any
21 such means shall constitute presence in person at a meeting
22 for all purposes, including for purposes of establishing a
23 quorum, and the affirmative vote of a majority of the members
24 in attendance shall be necessary for any action of the board.

25 (3) Meetings of the board shall be subject to the
26 Alabama Open Meetings Act.

1 (d) (1) A majority of board members shall constitute
2 a quorum for the transaction of any business and for the
3 exercise of any power or function of the board.

4 (2) Action may be taken on motions and resolutions
5 adopted by the board at any meeting of the board by an
6 affirmative vote of a majority of present and voting board
7 members, a quorum being present.

8 (e) No vacancy in the membership of the board shall
9 impair the right of the members to exercise all the powers and
10 perform all the duties of the board.

11 (k) The commission may take temporary action to
12 establish state control of and regulate existing gaming
13 activities prior to the ratification of Senate Bill __ of the
14 2022 Regular Session.

15 §41-30-4. Compensation of board members.

16 Members of the board of directors of the commission
17 shall receive compensation equal to that of a member of the
18 Legislature, including per diem and travel allowances as
19 provided for state employees.

20 §41-30-5. Emergency powers of the commission.

21 (a) The Legislature hereby finds and declares the
22 following:

23 (1) There are current gaming activities operating
24 within the State of Alabama.

25 (2) Such gaming activities are not regulated or
26 taxed in a centralized, uniform manner.

1 (3) There are a number of local amendments to the
2 Constitution of Alabama of 1901, which purport to authorize
3 gaming activities.

4 (4) It is necessary to initiate action to capture,
5 control, limit, restrict, and govern all ongoing gaming
6 activities, in every forum, by every media or means, and under
7 any authority currently in existence.

8 (5) It is in the best interest of the State of
9 Alabama to protect its residents through appropriate
10 legislation, to regulate the gaming industry as it currently
11 exists, and to provide a centralized, uniform manner of
12 taxation of these activities to fund the needs of the people
13 of this state.

14 (b) Within 30 days of the effective date of this
15 act, the commission shall require any person engaged in any
16 gaming activity to do all of the following:

17 (1) Submit to the commission all of the following:

18 a. The business records and income tax statements of
19 the person from January 1, 2017, through December 31, 2021,
20 and any other reasonable evidence required by the commission
21 by rule.

22 b. Proof that the person and its principal employees
23 and managers have not been convicted of, or charged with, any
24 federal or state felony or misdemeanor property offense,
25 offense involving fraud, or offense involving moral turpitude.

26 c. The names and addresses of its principal owners
27 and investors, showing the ownership percentage of each; any

1 business records required by the commission; and any other
2 information requested by the commission. For purposes of this
3 paragraph, the principal owners and investors of the person
4 means any person who owns 10 percent or more of the person.

5 d. In affidavit form, the gaming activities employed
6 in the person's operation, the methods of delivery of such
7 gaming activities, the number of machines or devices used to
8 conduct gaming activities, the degree of digitized data used,
9 the physical locations of its operations, and any other
10 information required by the commission.

11 e. A sworn statement of the person's willingness to
12 accept the reasonable regulation of the commission and the
13 State of Alabama.

14 (2) Pay a reasonable fee for the license, as
15 established by the commission, which shall be based upon the
16 size of operation within the state, the physical and digital
17 footprint of the entity, and the timeframe of the license.

18 (3) Establish to the satisfaction of the commission
19 that any gaming activities engaged in by the person from
20 January 1, 2017, through December 31, 2021, have been
21 conducted pursuant to lawful authority.

22 (c) Any person engaged in gaming activity shall meet
23 the requirements of subsection (b) no later than September 1,
24 2022.

25 (d) Nothing in this section authorizes the expansion
26 of gaming activities or methods of delivery thereof, the
27 increase in the number of machines or devices used to conduct

1 gaming activities, or the increase in the number of physical
2 locations.

3 (e) Notwithstanding Section 41-22-5, Code of Alabama
4 1975, the commission may adopt emergency rules to implement
5 and administer this section. The emergency rules may be
6 adopted by the commission and shall expire 24 months following
7 the ratification of the constitutional amendment proposed
8 pursuant to the Senate Bill ___ of the 2022 Regular Session.
9 Any emergency rule adopted pursuant to this section may not be
10 renewed.

11 §41-30-6. Executive director and deputy director of
12 the commission.

13 (a) (1) The board of directors of the commission
14 shall appoint an executive director who shall direct the
15 day-to-day operations and management of the commission and
16 shall be vested with all powers and duties as specified by the
17 commission and by law. The executive director shall serve at
18 the pleasure of the board.

19 (2) The executive director shall meet all of the
20 following qualifications:

21 a. Shall be an attorney licensed to practice law in
22 this state and be a person of good moral character.

23 b. May not have any felony convictions or
24 convictions for property offenses, fraud, or offenses
25 involving moral turpitude.

26 c. May not be an officer of a political party or
27 serving in an official position in a political party.

1 d. May not be a public official.

2 e. May not be actively engaged in the business of a
3 licensed location or an operation owned by the Poarch Band of
4 Creek Indians.

5 f. May not be a supplier of devices or equipment
6 used in the play of gaming activities.

7 g. Possess any other qualifications adopted by the
8 commission by rule.

9 (3) The executive director shall devote his or her
10 entire time and attention to the duties required under this
11 act and the business of the commission and may not pursue any
12 other business or occupation or hold any other office of
13 profit.

14 (4) The executive director shall receive an annual
15 salary determined by the commission.

16 (b) (1) With the approval of the board, the executive
17 director may appoint a deputy director who shall perform any
18 and all duties designated by the executive director.

19 (2) The deputy director shall receive an annual
20 salary determined by the commission.

21 §41-30-7. Powers and duties of the executive
22 director.

23 The executive director shall direct and supervise
24 all administrative and technical activities in accordance with
25 this chapter and with the rules, policies, and procedures
26 adopted by the commission. The duties of the executive
27 director shall include all of the following:

1 (1) Sue and be sued on behalf of the commission.

2 (2) Acquire real property in accordance with
3 existing law and make improvements thereon on behalf of the
4 commission.

5 (3) Make, execute, and effectuate any and all
6 agreements or contracts, including contracts for the purchase
7 of goods and services as are necessary for the conduct of the
8 business of the commission.

9 (4) Employ and direct such personnel as deemed
10 necessary.

11 (5) Employ by contract and compensate persons and
12 firms as deemed necessary for the operation and administration
13 of the commission.

14 (6) Prepare a budget for the approval of the
15 commission.

16 (7) Report quarterly to the Governor, the
17 Legislative Council, and the commission a full and complete
18 statement of gaming revenues and expenses for the preceding
19 quarter.

20 (8) Perform other duties as necessary to implement
21 and administer this chapter.

22 §41-30-8. Duties of the commission.

23 The commission shall adopt, amend, or repeal rules
24 in accordance with the Alabama Administrative Procedure Act,
25 and shall have all of the following powers and duties:

26 (1) To issue subpoenas and compel the production of
27 documents or items and the attendance of witnesses, to

1 administer oaths, to require testimony under oath, and to
2 enforce its orders relating to gaming activities and sports
3 betting.

4 (2) To appoint impartial hearing examiners who may
5 administer oaths and receive evidence and testimony under oath
6 and make recommendations to the commission.

7 (3) To demand access to and inspect, examine,
8 photocopy, and audit all papers, books, and records respecting
9 gaming activities, sports betting, gaming revenues, and gaming
10 revenues for sports betting, and any other matters necessary
11 to carry out its duties.

12 (4) To impose reasonable civil fines and penalties
13 on any individual or entity for violations of this chapter or
14 violations of rules adopted by the commission.

15 (5) To provide for the issuance of licenses for the
16 operation of gaming activities and sports betting and to
17 provide for the renewal, modification, extension, suspension,
18 revocation, transfer, or forfeiture of a license.

19 (6) To regulate and supervise the conduct and
20 operation of gaming activities and sports betting.

21 (7) To review all gaming activities conducted and
22 operated within the state for potential licensure.

23 (8) To adopt rules and procedures to address the
24 failure of an operator to timely remit applicable state tax on
25 net gaming revenues, net gaming revenues on sports betting,
26 license fees, and fines and penalties assessed by the
27 commission.

1 (9) To adopt rules related to the reasonable
2 operation level for each licensed location.

3 (10) To adopt rules limiting access to gaming
4 activities and sports betting by minors and other susceptible
5 individuals.

6 §41-30-9. Audits and reports.

7 (a) To ensure the financial integrity of the
8 operation of gaming facilities in this state, the commission
9 shall do all of the following:

10 (1) Submit annual reports to the Governor and the
11 Legislative Council disclosing the total gaming revenues,
12 operating and administrative expenses of the commission,
13 information relating to the number of licenses issued,
14 suspended, revoked, or transferred during the reporting
15 period. The annual report shall additionally describe the
16 organizational structure of the commission and summarize the
17 functions performed by each organizational division within the
18 commission.

19 (2) Adopt a system of internal audits and audits of
20 licensed operators.

21 (3) Contract with a certified public accountant or
22 firm for an annual financial audit of the commission. The
23 certified public accountant or firm shall have no financial
24 interest in any vendor with whom the commission is under
25 contract. The certified public accountant or firm shall
26 present an audit report not later than four months after the
27 end of the fiscal year. The certified public accountant or

1 firm shall evaluate the internal auditing controls in effect
2 during the audit period. The cost of this annual financial
3 audit shall be an operating expense of the commission.

4 (b) The Department of Examiners of Public Accounts
5 may perform an audit or examination of the commission.

6 §41-30-10. Employees of the commission.

7 (a) (1) An employee of the commission may not have a
8 financial interest in any vendor doing business or proposing
9 to do business with the commission or a licensed operator.

10 (2) An employee of the commission with
11 decisionmaking authority may not participate in any decision
12 involving a licensed operator with whom the employee has a
13 financial interest.

14 (b) An employee of the commission who leaves the
15 employment of the commission may not represent any vendor,
16 management services contract provider, or licensed operator
17 before the commission for a period of two years following
18 termination of employment with the commission.

19 (c) An applicant for employment with the commission
20 shall submit to the executive director, on a form sworn to by
21 the applicant, his or her name, date of birth, Social Security
22 number, and two complete sets of fingerprints for completion
23 of a criminal history background check through the Gaming
24 Enforcement Division. Costs associated with conducting a
25 criminal history background check may be paid by the
26 commission.

1 (d) An individual who has been convicted of a
2 felony, a crime involving moral turpitude, or a crime
3 involving unlawful gambling may not be employed by the
4 commission.

5 (e) The commission shall bond commission employees
6 with access to commission funds in such an amount as provided
7 by the commission and may bond other employees as deemed
8 necessary.

9 (f) Employees of the commission shall not be State
10 Merit System employees, but shall be entitled to insurance,
11 retirement, and other state employees' benefits.

12 (g) Employees of the commission shall be subject to
13 the Ethics Laws, Sections 36-25-1, et seq., Code of Alabama
14 1975.

15 §41-30-11. Employee participation prohibition.

16 (a) Any employee of the commission may not engage in
17 gaming activity or sports betting at any licensed location.

18 (b) An employee of a licensed operator may not
19 engage in any gaming activity or sports betting at any
20 licensed location at which he or she is employed. This
21 subsection does not apply to employees of a licensed location
22 while operating as a dealer or while playing on behalf of the
23 house to facilitate any gaming activity.

24 §41-30-12. Records of the commission.

25 (a) Except as provided in subsection (b), records of
26 the commission shall be public records for purposes of Section
27 36-12-40, Code of Alabama 1975.

1 (b) The commission may determine which information
2 and records relating to its operations are confidential and
3 not subject to public disclosure. The information includes
4 trade secrets; security measures, systems, or procedures;
5 security reports; employee personnel information unrelated to
6 compensation, duties, qualifications, or responsibilities; and
7 information obtained pursuant to investigations which is
8 otherwise confidential. Information deemed confidential
9 pursuant to this section shall be exempt from public
10 disclosure.

11 §41-30-13. Minority business participation.

12 It is the intent of the Legislature that the
13 commission encourage participation by minority businesses.
14 Accordingly, the commission shall adopt a plan that achieves
15 to the greatest extent possible a level of participation by
16 minority businesses taking into account the total number of
17 all licensed operators. The commission may administer training
18 programs and other educational activities to enable eligible
19 minority businesses to compete for licenses on an equal basis.
20 The commission shall monitor the results of minority business
21 participation and shall report the results of minority
22 business participation to the Governor and the Legislature at
23 least on an annual basis.

24 §41-30-14. Gaming Enforcement Division established.

25 The Gaming Enforcement Division within the
26 commission is established. The enforcement division shall have
27 independent and primary authority and jurisdiction to

1 investigate violations of lottery, gaming, and sports betting
2 laws and rules and enforce the general laws and rules of the
3 commission. The enforcement division shall have all power and
4 authority to take any means necessary to aid the commission in
5 the administration and enforcement of lottery and gaming laws
6 and rules of the commission.

7 §41-30-15. Director of the Gaming Enforcement
8 Division.

9 (a) (1) The position of Director of the Gaming
10 Enforcement Division is created. The director of enforcement
11 shall be appointed by the board of directors of the commission
12 and shall hold office at the pleasure of the board.

13 (2) The director of enforcement shall have overall
14 supervision and management of the functions and duties of the
15 Gaming Enforcement Division, subject to approval of the
16 commission, including the power to change the working title of
17 any position in the enforcement division or organize the
18 enforcement division in a manner to efficiently administer the
19 duties of the enforcement division.

20 (b) The director of enforcement shall satisfy all of
21 the following qualifications:

22 (1) Be certified by the Alabama Peace Officers'
23 Standards and Training Commission or become certified within
24 one year of appointment.

25 (2) Have a bachelor's or equivalent degree from an
26 accredited institution of higher education.

1 (3) Have an extensive law enforcement background of
2 at least 10 years, including executive level experience with
3 specific participation in complex investigations of financial
4 crimes, conspiracy, racketeering, and other related crimes.

5 (4) Have general knowledge and experience with
6 gaming investigations.

7 (c) The salary of the director of enforcement shall
8 be set by the commission. The director of enforcement shall be
9 employed in the exempt service.

10 (d) For purposes of the immunity afforded in
11 Section 6-5-338, Code of Alabama 1975, the director of
12 enforcement shall be deemed a law enforcement officer.

13 (e) The director of enforcement shall have arrest
14 powers.

15 (f) The director of enforcement may issue subpoenas
16 and compel the production of documents or items.

17 (g) The director of enforcement shall establish
18 operational policy and procedures for the administration of
19 the duties of the enforcement division.

20 §41-30-16. Assistant Director of the Gaming
21 Enforcement Division.

22 (a) The director of enforcement may appoint an
23 assistant director of enforcement and may delegate any of his
24 or her duties to the assistant director of enforcement. The
25 assistant director of enforcement shall serve at the pleasure
26 of the director of enforcement.

1 (b) The assistant director of enforcement shall
2 satisfy the following qualifications:

3 (1) Be certified by the Alabama Peace Officers'
4 Standards and Training Commission or become certified within
5 one year of appointment.

6 (2) Have an extensive law enforcement background of
7 at least five years, including specific participation in
8 complex investigations of financial crimes, conspiracy,
9 racketeering, and other related crimes.

10 (3) Have general knowledge or experience with gaming
11 investigations.

12 (c) The salary of the assistant director of
13 enforcement shall be set by the director of enforcement. The
14 assistant director of enforcement shall be employed in the
15 exempt service.

16 (d) The assistant director of enforcement shall have
17 arrest powers.

18 (e) For purposes of the immunity afforded in Section
19 6-5-338, Code of Alabama 1975, the assistant director of
20 enforcement shall be deemed a law enforcement officer.

21 §41-30-17. Personnel of the Gaming Enforcement
22 Division.

23 (a) The Director of the Gaming Enforcement Division
24 shall hire all personnel necessary for the operation of the
25 enforcement division subject to qualifications set by the
26 director of enforcement, with the approval of the commission.
27 Personnel shall include, but not be limited to, the following:

- 1 (1) Investigators.
- 2 (2) Auditors and forensic accountants.
- 3 (3) Compliance officers.
- 4 (4) Investigative technology experts.
- 5 (5) Administrative staff.
- 6 (6) Any other staff necessary for the operation of
- 7 the enforcement division.

8 (b) The enforcement division may employ consultants
9 to render professional services, including, but not limited
10 to, reviewing gaming records and other related records or
11 items, providing expert testimony in contested cases,
12 assisting in audits performed by the enforcement division, and
13 conducting technology reviews and implementation, to aid the
14 commission in carrying out its duties under this chapter.
15 Consultants shall be compensated for professional services at
16 rates established by the commission.

17 (c) (1) The personnel of the enforcement division
18 shall be employed in the exempt service and shall serve at the
19 pleasure of the director of enforcement.

20 (2) Notwithstanding any other provision of local or
21 general law, a retired state or local law enforcement officer
22 may be employed by the enforcement division without suspension
23 or modification of his or her state or local retirement
24 benefits.

25 (d) The personnel employed by the enforcement
26 division who are certified by the Alabama Peace Officers'
27 Standards and Training Commission shall have arrest powers.

1 (e) For purposes of the Alabama Criminal Justice
2 Information Center (ACJIC) and the National Crime Information
3 Center (NCIC), personnel of the enforcement division shall be
4 considered an originating agency identifier for the purposes
5 of criminal background checks and access to criminal history
6 data.

7 (f) For purposes of the immunity afforded in Section
8 6-5-338, Code of Alabama 1975, personnel of the enforcement
9 division certified by the Alabama Peace Officers' Standards
10 and Training Commission shall be deemed law enforcement
11 officers.

12 (g) Personnel of the enforcement division shall
13 comply with all initial and continuing education requirements
14 in Section 41-30-18.

15 §41-30-18. Continuing education requirements for
16 Gaming Enforcement Division personnel.

17 (a) (1) By October 1, 2024, the Alabama Peace
18 Officers' Standards and Training Commission, in consultation
19 with the Executive Director of the Alabama Education Lottery
20 and Gambling Commission and the Director of the Gaming
21 Enforcement Division, shall develop the following:

22 a. An intensive initial training curriculum for law
23 enforcement officers relating to enforcement of gaming laws
24 and rules, including associated activity.

25 b. An annual continuing education curriculum to
26 supplement the initial training curriculum relating to
27 investigations and enforcement of gaming laws and rules of the

1 Alabama Education Lottery and Gambling Commission, including
2 associated activity.

3 (2) The Alabama Peace Officers' Standards and
4 Training Commission shall determine the number of hours
5 necessary for the required training and shall consult with
6 national gaming associations and other entities for inclusion
7 of national standards relating to gaming investigations and
8 enforcement in the training curriculum.

9 (b) The Director of the Gaming Enforcement Division
10 shall identify those individuals subject to the training
11 requirements in this section and a schedule for completion of
12 the required curriculum by division personnel.

13 §41-30-19. Duties and powers of the Gaming
14 Enforcement Division.

15 (a) For the protection of the public and in the
16 public interest in accordance with the policy of this state,
17 the Director of the Gaming Enforcement Division, personnel of
18 the enforcement division, or any individual operating under
19 the authority of the enforcement division or the commission,
20 may do any of the following:

21 (1) Inspect and examine licensed locations or the
22 premises of where gambling devices or equipment is
23 manufactured, sold, or distributed.

24 (2) Inspect all equipment and supplies on the
25 premises of a licensed location.

26 (3) Enforce compliance with gaming laws and rules of
27 the commission.

1 (4) Enforce all laws of this state, including those
2 not relating to gaming activities.

3 (5) Have primary jurisdiction over any crime that
4 occurs on the property of a licensed operator at a licensed
5 location.

6 (6) Summarily seize and remove from the premises of
7 a licensed location and impound any equipment or supplies for
8 the purpose of examination and inspection.

9 (7) Make arrests of violators of gaming laws and
10 rules of the commission and any other laws of this state.

11 (8) Demand access to and inspect, examine,
12 photocopy, and audit all papers, books, and records of
13 applicants for licensure, licensed operators, and management
14 services providers on their premises or elsewhere as
15 practicable, in the presence of the licensed operator or an
16 agent relating to the proceeds generated by any activities
17 regulated by the commission and all other matters affecting
18 the enforcement of this chapter or rules adopted thereunder.

19 (9) Make determinations and impose and enforce civil
20 penalties for violations of gaming laws and rules of the
21 commission.

22 (10) Conduct investigations of applicants for
23 licenses to establish and assess suitability compliance and
24 related issues as provided in Section 41-30-22.

25 (11) Take any other action deemed necessary and
26 appropriate by the enforcement division in the administration
27 of its duties under this chapter.

1 (b) No less than on an annual basis, and upon
2 request of the commission or the Legislative Council, the
3 enforcement division shall provide to the commission and
4 Legislative Council reports of all investigative and
5 enforcement activity conducted by the division.

6 §41-30-20. Confidentiality of records.

7 All of the following shall be privileged and
8 confidential, unless presented as evidence at a public hearing
9 of the commission:

10 (1) All reports of investigations by the enforcement
11 division.

12 (2) Documents subpoenaed by the commission in
13 furtherance of an investigation or other activity of the
14 enforcement division.

15 (3) Reports of any investigative action by the
16 enforcement division.

17 (4) Memoranda of the personnel of the enforcement
18 division relating to an investigation.

19 (5) Statements of persons interviewed by the
20 enforcement division.

21 (6) All information, interviews, reports,
22 statements, or memoranda of any nature furnished to the
23 enforcement division.

24 (7) Any findings, conclusions, or recommendations
25 resulting from proceedings of the enforcement division.

26 (8) All information containing proprietary trade
27 secret information.

1 §41-30-21. Assistance by the Attorney General and
2 district attorneys.

3 The Gaming Enforcement Division may request
4 assistance from the Attorney General, district attorneys, or
5 other prosecuting attorneys of this state. The Attorney
6 General, district attorneys, or other prosecuting attorneys,
7 upon request, shall assist in any action for injunction or any
8 prosecution based on the violation of a gaming law or rule of
9 the commission.

10 §41-30-22. Suitability requirements.

11 (a) The commission may not issue a license to an
12 applicant as required under this chapter until the applicant,
13 including any individual or entity who has or controls,
14 directly or indirectly, 10 percent or more ownership, income,
15 or profit interest in an applicant that has or will apply for
16 a license in accordance with this chapter, has demonstrated
17 suitability for licensure. For purposes of this section,
18 "suitability" means consideration of all the following:

19 (1) The moral character, honesty, and integrity of
20 the applicant.

21 (2) The reputation, experience, and financial
22 integrity of the applicant.

23 (3) The financial ability of the applicant to
24 purchase and maintain adequate liability and casualty
25 insurance and to provide an adequate surety bond as required
26 by this chapter.

1 (4) The past and present compliance of the
2 applicant, including whether the applicant has a history of
3 noncompliance with the gaming licensing requirements of any
4 other jurisdiction.

5 (5) Whether the applicant has filed, or had filed
6 against it, a proceeding for bankruptcy or has ever been
7 involved in any formal process to adjust, defer, suspend, or
8 otherwise work out the payment of any debt.

9 (6) Whether the operator is or has been a defendant
10 in litigation involving its business practices.

11 (7) Whether awarding a license would undermine the
12 public's confidence in the gaming industry in this state.

13 (8) Prior activities, arrests, or criminal records,
14 if any, reputation, habits, and associations of an applicant
15 that may pose a threat to the public interest of this state or
16 to the effective regulation of gaming in this state, and that
17 may create or enhance the dangers of unsuitable, unfair, or
18 unlawful practices, methods, and operations in the activities
19 authorized by this chapter and the financial arrangements and
20 activities incidental to the gaming activities authorized by
21 this chapter.

22 (9) The likelihood of the applicant to conduct
23 business as authorized by this chapter of this act in complete
24 compliance with this chapter.

25 (10) Whether the applicant owes the state, county,
26 or a municipality any delinquent sales taxes, penalties, or

1 interest, excluding items under formal appeal or protest as
2 provided by law.

3 (11) Any other factor or consideration deemed
4 relevant by the commission.

5 (b) Evidence of, or relating to, an arrest, summons,
6 charge, or indictment of an applicant, or the dismissal
7 thereof, shall be considered by the commission, where
8 applicable, even if the arrest, summons, charge, or indictment
9 results in acquittal, deferred adjudication, such as
10 participation in a pretrial diversion program, probation,
11 parole, or pardon.

12 (c) (1) All applicants for a license under this
13 chapter shall bear the obligation to establish their
14 suitability for a license under this section.

15 (2) An applicant for a license under this chapter
16 shall cooperate with the commission in providing information
17 and documentation as requested by the commission. The
18 commission shall conduct its suitability analysis of an
19 applicant and report its finding of suitability to the
20 commission in writing detailing the information supporting its
21 determination.

22 (3) There shall be a presumption that an applicant
23 who did not meet the requirements of Section 41-30-5(b) as
24 required by Section 41-30-5(c) does not meet the suitability
25 requirements of this section.

26 §41-30-23. Licenses required.

1 Upon passage and ratification of Senate Bill ___ of
2 the 2022 Regular Session, gaming, lottery, and sports betting
3 activities in every form, including by physical, digital, or
4 other means, may only be operated by a person licensed by the
5 commission. The commission may adopt rules prescribing the
6 information an applicant for licensure is required to submit
7 to the commission prior to the issuance of a license under
8 this chapter.

9 §41-30-24. Licenses for charity fundraising.

10 (a) A person or entity desiring to conduct a bingo
11 game or raffle for charity fundraising shall apply to the
12 commission for a license under this section. The license shall
13 be valid for the duration of the single fundraising event
14 described in the application.

15 (b) The person shall pay a reasonable fee for the
16 single raffle license as determined by the commission based
17 upon the information of the applicant.

18 (c) The commission may adopt rules relating to the
19 conduct and operation and reporting requirements of the
20 licensed activity, including the production of a form for
21 submission of applications pursuant to this section.

22 (d) A person operating a charitable bingo and raffle
23 operation shall comply with all rules adopted by the
24 commission.

25 §41-30-25. Licenses for gaming activities.

26 (a) Licenses awarded for a licensed location shall
27 be awarded upon application to the commission and

1 participation in the competitive process established for the
2 award of such licenses as provided in Senate Bill __ of the
3 2022 Regular Session.

4 (b) An application for a license under this section
5 shall include both of the following:

6 (1) The names and addresses of its principal owners
7 and investors, showing the ownership percentage of each; any
8 business records required by the commission, and any other
9 information requested by the commission. As used in this
10 subdivision, a principal owner or investor includes any person
11 with a 10 percent or greater interest in the applicant.

12 (2) In affidavit form, the gaming activity employed
13 in its operation, the methods of delivery of such gaming
14 activities, the number of machines or devices used to conduct
15 gaming activities; the degree of digitized data used, the
16 physical locations of its operations, and any other
17 information required by the commission.

18 (c) (1) Within 30 days of receiving an application
19 for licensure under this section, the commission shall
20 determine and notify the applicant in writing whether the
21 application is complete. If the commission determines the
22 application is incomplete, the commission shall specifically
23 identify the missing information and specify the requirement
24 creating the obligation to submit the missing documents or
25 information in the written notice. If the written notice of
26 incompleteness is provided within 30 days of receiving the
27 application, the processing deadlines in subdivision (2) shall

1 restart at zero on the date the applicant submits all the
2 documents and information identified by the commission to
3 render the application complete.

4 (2) Applications not requiring a written notice of
5 incompleteness shall be approved or denied within 90 calendar
6 days; provided, the processing deadline may be tolled once by
7 the commission for 30 days upon notice to the applicant.

8 (3) For those applications requiring a resubmittal
9 following the delivery of a written notice of incompleteness
10 as provided in subdivision (1), the time limitations for
11 approval or denial established in this subsection shall begin
12 on the first date after receipt of all the documents and
13 information identified by the commission.

14 (4) The processing deadline may be tolled by
15 agreement of the applicant and the commission.

16 (5) If the commission fails to act on an application
17 within the review period provided for in this subsection, the
18 application shall be deemed denied by operation of law.

19 (d) Upon application of a licensed operator
20 demonstrating a capital investment in a licensed location that
21 is 10 or more times greater than the license fee for the
22 location required under subsection (b), the commission shall
23 extend the licensed operator's license issued under this
24 section to a term of 30 years. The licensed operator shall
25 continue to make the annual payments established under
26 subsection (b) for the duration of the license term.

1 (e) The commission, by rule, shall require an
2 applicant for licensure pursuant to this section to
3 demonstrate a minimum capital investment, as determined by the
4 commission, in the licensed location. The minimum capital
5 investment shall be based on the type of gaming activity to be
6 conducted at the licensed location.

7 (f) In addition to authorizing a licensee to operate
8 gaming activity, a license issued under this section shall
9 authorize the licensee to operate sports betting at the
10 licensed location without separately obtaining a sports
11 betting operator license, provided the licensee meets all
12 other qualifications and conditions provided by the commission
13 under Section 41-30-43.

14 §41-30-26. Renewal of licenses.

15 (a) Upon passage and ratification of Senate Bill __
16 of the 2022 Regular Session and application to the commission,
17 any license granted to an operator under Section 41-30-25 may
18 be serially renewed.

19 (b) Renewal fees and license terms shall be set by
20 the commission one year prior to the expiration of the license
21 term as provided by rule of the commission.

22 (c) Upon its determination under subsection (b), the
23 commission shall provide notice to the licensed operator of
24 the renewal fee and the new term of the license. The term may
25 be for a longer or shorter period than required for licenses
26 under Section 41-30-25. The commission shall specify in the

1 notice the timeframe in which the licensed operator may apply
2 for renewal of the license.

3 §41-30-27. Suspension, revocation, and forfeiture of
4 licenses.

5 (a) A license issued to a licensed operator under
6 this chapter may be suspended or revoked for cause by the
7 commission for any of the following reasons:

8 (1) Failure to remit a license fee to the
9 commission.

10 (2) Failure to remit applicable state taxes on net
11 gaming revenues or net gaming revenues on sports betting.

12 (3) Failure to pay any fines and penalties assessed
13 by the commission.

14 (4) Violation of laws or rules of the commission
15 relating to the activities of the licensed operator.

16 (5) Failure to maintain the reasonable operation
17 level, as determined by the commission, at the licensed
18 location for a period of 18 consecutive months.

19 (b) In the event a license is revoked as provided in
20 subsection (a), the commission may award the revoked license
21 to another qualified operator pursuant to a competitive
22 process as provided by the commission.

23 (c) The commission shall adopt rules to implement
24 and administer this section.

25 §41-30-28. Transfer of a license.

26 A license issued under this chapter may only be
27 transferred as provided by rule of the commission.

1 §41-30-29. Floor plan submission requirement.

2 (a) Prior to commencing the operation of any gaming
3 activity or sports betting at a licensed location, a licensed
4 operator shall submit to the commission for its approval a
5 detailed floor plan depicting the location of the designated
6 gaming area in which gaming activity or sports betting
7 equipment will be located and its proposed arrangement of the
8 gaming equipment.

9 (b) Any floor plan submission that satisfies the
10 requirements of the rules adopted by the commission shall be
11 considered approved by the commission unless the licensed
12 operator is notified in writing to the contrary within one
13 month of filing a detailed floor plan.

14 §41-30-30. Management services contracts.

15 (a) A licensed operator may not enter into any
16 management services contract that would permit any person
17 other than the licensed operator to act for the licensed
18 operator in the operation of gaming activities and sports
19 betting unless the management services contract satisfies all
20 of the following:

21 (1) Is with a person licensed under this chapter to
22 provide management services.

23 (2) Is in writing.

24 (3) Is approved by the commission.

25 (b) A licensed operator shall submit any material
26 change in a management services contract previously approved

1 by the commission to the commission for its approval or
2 rejection before the material change may take effect.

3 (c) A management services contract may not be
4 assigned or transferred to a third party.

5 (d) The duties and responsibilities of a management
6 services provider under a management services contract may not
7 be assigned, delegated, subcontracted, or transferred to a
8 third party to perform without the prior approval of the
9 commission. Third parties shall be licensed under Section
10 41-30-31 before providing any management services. The
11 commission, by rule, may clarify application of this
12 subsection and provide exceptions to its application.

13 §41-30-31. Management services license.

14 (a) The commission may issue a license to a person
15 to provide management services under a management services
16 contract to a licensed operator when the commission determines
17 that the person meets the requirements of this section and any
18 applicable rules of the commission.

19 (b) Each applicant for a management services license
20 shall be of good moral character, honesty, and integrity and
21 shall have the necessary experience and financial ability to
22 successfully carry out the functions of a management services
23 provider. The commission may adopt rules establishing
24 additional requirements for an authorized management services
25 provider. The commission may accept licensing by another
26 jurisdiction, specifically determined by the commission to
27 have similar licensing requirements, as evidence the applicant

1 meets authorized management services provider licensing
2 requirements.

3 (c) An applicant for a license to provide management
4 services to a licensed operator shall demonstrate that the
5 management services that the applicant plans to offer to the
6 licensed operator conform or will conform to standards
7 established by rules of the commission and this chapter. The
8 commission may accept management services provider approval by
9 another jurisdiction, specifically determined by the
10 commission to have management services, as evidence the
11 applicant meets the standards established by the commission
12 and this chapter.

13 (d) An applicant for a license to provide management
14 services to a licensed operator shall do all of the following:

15 (1) Submit an application to the commission in the
16 form required by the commission, including adequate
17 information to serve as a basis for a thorough background
18 check.

19 (2) Submit fingerprints to the enforcement division
20 for a state and national criminal background check through the
21 Alabama Criminal Justice Information Center (ACJIC) and the
22 National Crime Information Center (NCIC). The cost of the
23 criminal background check shall be paid by the applicant.

24 (3) Pay to the commission a nonrefundable
25 application and license fee for deposit into the Alabama
26 Gambling Trust Fund in the amount to be determined by the

1 commission which shall be in lieu of the first year's license
2 fee provided in subsection (f).

3 (e) A license to provide management services to a
4 licensed operator shall authorize the licensee to provide
5 management services to a license operator at a licensed
6 location while the license is active. The commission, by rule,
7 may establish the conditions which constitute an emergency
8 under which the commission may issue provisional licenses
9 pending completion of final action on an application.

10 (f) (1) A licensed provider of management services
11 shall pay to the commission an annual license fee in an amount
12 to be determined by the commission, for deposit into the
13 Alabama Gambling Trust Fund, for an initial term beginning
14 prior to the date of the provider's first contract with a
15 licensed operator and continuing through the end of the 12th
16 month thereafter whenever the licensee has paid the renewal
17 fee and has continued to comply with all applicable statutory
18 and requirements in the rules of the commission.

19 (2) The commission shall renew a license to provide
20 management services to a licensed operator annually
21 thereafter. A licensed operator may continue to use the
22 management services provided by the management services
23 provider while that provider was licensed, notwithstanding the
24 expiration of the provider's license, unless the commission
25 finds the services provided are not conforming to standards
26 established by rule of the commission and this chapter.

27 §41-30-32. Civil penalties.

1 (a) In addition to any criminal penalty provided by
2 law, the commission may assess a civil penalty, not to exceed
3 one hundred thousand dollars (\$100,000), on any person who
4 violates any provision of this act or a rule adopted by the
5 commission, whether or not the person is licensed under this
6 chapter.

7 (b) The assessment of a civil penalty may be
8 appealed by an aggrieved party as provided in this chapter or
9 commission rule.

10 §41-30-33. Hearing procedures.

11 (a) Except as otherwise provided by law or rule of
12 the commission, before the commission may take any adverse
13 action involving a licensee under this chapter, including the
14 assessment of a civil penalty under Section 41-30-32, the
15 commission shall give the person against whom the action is
16 contemplated an opportunity for a hearing before the
17 commission or a hearing officer designated by the commission.

18 (b) At least 30 days prior to any hearing under this
19 section, the commission shall give notice of the hearing to
20 the person by certified mail addressed to the last known
21 address of the person. The person may be represented by legal
22 counsel.

23 (c) (1) If a person fails to comply with a subpoena
24 issued for purposes of this section, on petition of the
25 commission, the Circuit Court of the Fifteenth Judicial
26 Circuit may compel obedience to the subpoena.

1 (2) If, after due notice, the person against whom
2 the action is contemplated fails or refuses to appear or
3 provide the item or items for which a subpoena was issued, the
4 commission or the commission's designated hearing officer may
5 hear and determine the matter.

6 (d) Within 30 days of a final order or decision of
7 the commission in a contested case, any person aggrieved by
8 the final order or decision may file a petition for appeal in
9 the Circuit Court of the Fifteenth Judicial Circuit.

10 §41-30-34. Misdemeanor gaming and lottery offenses.

11 (a) A person may not do any of the following:

12 (1) Knowingly make a false statement on any
13 application for a license under this chapter or on an
14 application for renewal of a license issued under this act.

15 (2) Operate, carry on, or expose for play gaming
16 activities or sports betting under any of the following
17 conditions:

18 a. Prior to obtaining a license.

19 b. After the person's license has expired and prior
20 to actual renewal of the license.

21 c. Before the rules for play of the gaming activity
22 are approved or modified and approved by the commission.

23 (b) A person who violates this section shall be
24 guilty of a Class A misdemeanor and shall be required to pay a
25 fine of fifty thousand dollars (\$50,000).

26 §41-30-35. Felony gaming and lottery offenses.

1 (a) For the purposes of this section, the phrase
2 "person who is connected with a licensed operator" includes,
3 but is not limited to, any person licensed under this chapter
4 and any officer or employee of a licensee.

5 (b) A person who is connected with a licensed
6 generator may not do any of the following:

7 (1) Offer, promise, or give anything of value or
8 benefit to a person who has an ownership or financial interest
9 in, is employed by, or has a service contract with, a licensed
10 operator or to that person's spouse or any dependent child or
11 dependent parent, pursuant to an agreement or arrangement, in
12 fact or implied from the circumstances, with the intent that
13 the promise or thing of value or benefit will influence the
14 actions of the person in order to affect or attempt to affect
15 the outcome of any gaming activity or sports wager, or to
16 influence official action of the commission.

17 (2) Solicit or knowingly accept or receive a promise
18 of anything of value or benefit while the person is connected
19 with a licensed operator, pursuant to an understanding or
20 arrangement in fact or implied from the circumstances, with
21 the intent that the promise or thing of value or benefit will
22 influence the actions of the person to affect or attempt to
23 affect the outcome of any gaming activity or sports wager, or
24 to influence official action of the commission.

25 (c) A person who violates this section shall be
26 guilty of a Class C felony and shall be required to pay a fine
27 of one hundred thousand dollars (\$100,000).

1 §41-30-36. Duties of licensed operators regarding
2 gaming activities.

3 A licensed operator shall do all of the following:

4 (1) Promptly report to the commission any facts or
5 circumstances related to the operation of a licensed location
6 which would constitute a violation of state or federal law.

7 (2) Conduct all gaming activities and functions in a
8 manner that does not pose a threat to the public health,
9 safety, or welfare of the residents of this state and that
10 does not adversely affect the security or integrity of the
11 operation of those games in this state.

12 (3) Hold the commission and this state harmless
13 from, and defend and pay for the defense of, any and all
14 claims that may be asserted against a licensed operator, the
15 commission, or the state or employees thereof, arising from
16 the licensed operator's actions or omission while conducting
17 any gaming activity.

18 (4) Assist the commission in regulating the revenue
19 of gaming activity.

20 (5) Maintain all records required by the commission.

21 (6) Upon request by the commission, provide the
22 commission access to all records and the physical premises
23 where the licensed operator's gaming activity and related
24 activities occur, for the purpose of monitoring or inspecting
25 the licensed operator's activities, the games, gaming
26 equipment, and security equipment.

1 (7) Keep current in all payments and obligations to
2 the commission.

3 (8) Acquire gaming activities and equipment thereof
4 by purchase, lease, or other assignment and provide a secure
5 location for the placement, operation, and play of those games
6 and gaming equipment.

7 (9) Prohibit a person from tampering with or
8 interfering with the operation of any gaming activity.

9 (10) Ensure that all gaming activity is within the
10 sight and control of designated employees of the licensed
11 location and under continuous observation by security
12 equipment in conformity with specifications and requirements
13 of the commission.

14 (11) Ensure that gaming activity is placed and
15 remain placed in the specific locations within designated
16 gaming areas at the licensed location which have been approved
17 by the commission. Gaming activity at a licensed location may
18 only be relocated upon approval of the commission in
19 accordance with its rules.

20 (12) Maintain at all times sufficient cash and
21 gaming tokens, chips, and electronic cards or other electronic
22 media.

23 (13) Install, post, and display conspicuously at
24 locations within or about the licensed location, signs,
25 redemption information, and other promotional material as
26 required by the commission.

1 (14) Assume liability for stolen money from any
2 gaming activity; provided, the licensed operator shall have a
3 cause of action for such unlawful activity.

4 §41-30-37. Compliance with federal laws.

5 The State of Alabama, in accordance with 15 U.S.C. §
6 1172, hereby declares that any and all lottery and gaming
7 activity equipment, and the materials, paraphernalia, and
8 supplies thereof, may be transported in interstate commerce
9 into or out of the state, including Poarch Band of Creek
10 Indians trust land, without violating that section, or any
11 other applicable federal law, if the equipment, materials,
12 paraphernalia, and supplies are used, to be used, or have been
13 used in the conduct of gaming activities at licensed locations
14 or on Poarch Band of Creek Indians trust land.

15 §41-30-38. Game rules of play.

16 (a) Each licensed location shall have written rules
17 of play for each gaming activity operated at the location that
18 are approved by the commission before the game is offered to
19 the public. Rules of play proposed by a licensed operator may
20 be approved, amended, or rejected by the commission.

21 (b) All gaming activity shall be conducted according
22 to the specific rules of play approved by the commission. All
23 wagers and pay-offs of winning wagers shall be made according
24 to those rules of play, which shall establish any limitations
25 necessary to assure the vitality of the game operations.

26 (c) Each licensed operator shall make available in
27 printed form to any patron, upon request of the patron, the

1 complete text of the rules of play of any gaming activity in
2 operation at its licensed location, pay-offs of winning
3 wagers, and any other notice to the player required by the
4 commission.

5 (d) Patrons are deemed to have agreed that the
6 determination of whether the patron is a valid winner is
7 subject to the game play rules and, in the case of any
8 dispute, shall be determined by the commission. The
9 determination by the commission shall be final and binding
10 upon all patrons and licensed operators and shall not be
11 subject to further review or appeal.

12 §41-30-39. Betting limits, operations, and services
13 for gaming activity.

14 (a) A licensed operator, in the exercise of its
15 business judgment, may determine and establish with the
16 approval of the commission, all of the following relating to
17 gaming activities:

18 (1) Minimum and maximum wagers.

19 (2) Promotions subject to rules of the commission.

20 (3) Hours of operation.

21 (4) Currency denominations accepted by any
22 mechanical or electronic bill acceptors.

23 (b) The commission may establish the following
24 parameters for any gaming activity of any kind that is played
25 at a licensed location:

26 (1) Minimum and maximum payout percentages.

1 (2) Any probability limits of obtaining the maximum
2 payout for a particular play in conformance with industry
3 standards.

4 (3) Limitations on the types and amounts of
5 financial transactions which a licensed location can enter
6 into with its patrons.

7 §41-30-40. Posting of betting limits for table
8 games.

9 (a) A licensed operator shall post a sign in a
10 conspicuous location at each specific location on the premises
11 of the licensed location where gaming activity is occurring
12 indicating the permissible minimum and maximum wagers
13 pertaining table games at that location.

14 (b) A licensed operator may not require any wager to
15 be greater than the stated minimum or less than the stated
16 maximum. However, any wager actually made by a patron and not
17 rejected by a licensed operator prior to the commencement of
18 play shall be treated as a valid wager.

19 §41-30-41. Complimentary service, gift, cash, or
20 other item.

21 (a) A licensed operator may not offer or provide any
22 complimentary service, gift, cash, or other item of value to
23 any person, except under any of the following conditions:

24 (1) The complimentary item consists of room, food,
25 beverage, or entertainment expenses provided directly to the
26 patron and his or her guests by the licensed operator or

1 indirectly to the patron and his or her guests on behalf of
2 the licensee by a third party.

3 (2) The complimentary item consists of documented
4 transportation expenses provided directly to the patron and
5 his or her guests on behalf of a licensed operator by a third
6 party, provided the licensee complies with the rules adopted
7 by the commission to ensure that the documented transportation
8 expenses of the patron and his or her guests are paid for or
9 reimbursed only once.

10 (3) The complimentary item consists of coins,
11 tokens, cash, or other complimentary items or services
12 provided through any complimentary distribution program, the
13 terms of which shall be filed with the commission upon
14 implementation of the program or maintained pursuant to
15 commission rule. Any change in the terms of a complimentary
16 program shall be filed with the commission upon implementation
17 of the change.

18 (b) (1) Notwithstanding subsection (a), a licensed
19 operator may offer and provide complimentary cash or non-cash
20 gifts that are not otherwise included in that subsection to
21 any patron; provided, however, any complimentary cash or
22 non-cash gifts in excess of an amount per trip to be set by
23 rule of the commission, are supported by documentation
24 regarding the reason the gift was provided to the patron and
25 his or her guests, including, where applicable, the patron's
26 player rating.

1 (2) The documentation required under subdivision (1)
2 shall be maintained by a licensed operator in accordance with
3 commission rules. For purposes of this subsection, all gifts
4 presented to a patron and a patron's guests directly by the
5 licensed operator or indirectly on behalf of the licensed
6 operator by a third party within any five-day period shall be
7 considered to have been made during a single trip.

8 §41-30-42. Prohibition on participation by minors.

9 (a) An individual under the age of 21 years may not
10 play or engage in any gaming activity or sports betting or be
11 employed to operate any gaming activity or sports betting.

12 (b) This section does not prohibit individuals under
13 the age of 21 years from being allowed on the premises of a
14 licensed location where gaming activity and sports betting are
15 being conducted, so long as those individuals are restricted
16 to areas of the licensed location in which gaming activity and
17 sports betting are not being conducted.

18 (c) An individual under 21 years of age but more
19 than 18 years of age may be employed at a licensed location in
20 a non-gaming area of the licensed location. The individual may
21 not serve alcoholic beverages.

22 (d) The commission shall adopt rules to implement
23 and administer this section.

24 §41-30-43. Sports betting operator license.

25 (a) The commission shall adopt rules governing the
26 licensing, administration, and conduct of sports betting,
27 which shall include all of the following:

1 (1) Qualifications and conditions of licenses issued
2 for the operation of sports betting either in person or
3 through any authorized Internet sports betting platform.

4 (2) The acceptance of wagers on a sporting event or
5 a series of sporting events and acceptable forms of payment
6 and advance deposit methods by patrons.

7 (3) The method of accounting to be used by sports
8 betting operators, including the types of records that shall
9 be maintained by the operator.

10 (4) Protections for patrons placing wagers,
11 including requirements to ensure responsible gaming.

12 (b) License fees for a sports betting operator
13 license shall be a minimum of one hundred thousand dollars
14 (\$100,000), to be determined by the commission based on any
15 factors deemed relevant by the commission. The license term
16 for a sports betting operator license shall be one year. All
17 license fees shall be remitted to the State Treasury to the
18 credit of the Alabama Gambling Trust Fund.

19 (c) A person may not engage in any activity in
20 connection with sports betting in this state unless all
21 necessary licenses have been obtained from the commission in
22 accordance with this section.

23 (d) The commission may not grant a sports betting
24 operator license until it determines that each person who has
25 control of the applicant meets all qualifications for
26 licensure. For purposes of this subsection, "control of the
27 applicant" means any owner of 10 percent or more of the

1 applicant, its chief executive officer, and any individual who
2 has ultimate responsibility for the applicant's operations in
3 this state.

4 (e) (1) The commission shall issue a sports betting
5 operator license to a person as provided in this section.

6 (2) In lieu of the license granted under this
7 section, the license granted to a licensed operator under
8 Section 41-30-25 shall grant the licensed operator the right
9 to conduct sports betting, subject to all other qualifications
10 and conditions provided by the commission pursuant to this
11 section.

12 (3) A sports betting operator license authorizes the
13 operation of sports betting at a licensed location or a
14 digital or online location, through one or more individually
15 branded, Internet sports betting platforms operated by
16 management service providers, which may include websites and
17 associated mobile applications approved by the commission. The
18 license does not authorize the operator to conduct any gaming
19 activity other than sports betting.

20 (4) A sports betting operator licensee may not enter
21 into any contract with a management services provider that
22 would permit any person other than the licensee to act as the
23 sports betting operator licensee's agent in operating sports
24 betting unless the contract with the management services
25 provider satisfies all of the following:

26 a. Is with a person licensed as a management
27 services provider.

1 b. Is in writing.

2 c. Has been approved by the commission.

3 (5) A licensed sports betting operator shall submit
4 to the commission such documentation or information as the
5 commission may require demonstrating that the licensee
6 continues to meet the requirements of the law and rules of the
7 commission.

8 (f) (1) A licensed sports betting operator may
9 contract with one or more management service providers to
10 conduct the operator's Internet sports betting operations, in
11 accordance with the rules of the commission.

12 (2) Each management services provider shall obtain a
13 license as a management services provider prior to the
14 execution of any contract. The license shall be issued
15 pursuant to this section and any rules adopted by the
16 commission.

17 (3) Each applicant for a management services
18 provider license under this section shall meet all
19 requirements for licensure under this section and shall pay a
20 nonrefundable license and application fee of one hundred
21 thousand dollars (\$100,000), which shall be deposited into the
22 Alabama Gambling Trust Fund. The commission may adopt rules
23 establishing additional requirements for a management services
24 provider. The commission shall accept licensing by another
25 jurisdiction that has similar licensing requirements as
26 evidence the applicant meets the management services provider
27 licensing requirements of this section.

1 (4) Management services provider licenses shall be
2 renewed every five years to any licensee who continues to be
3 in compliance with all requirements and who pays the renewal
4 fee determined by the commission.

5 (g) The commission may enter into sports betting
6 agreements with other states and jurisdictions to authorize
7 individuals who are physically located in a signatory
8 jurisdiction to participate in sports betting conducted by one
9 or more operators licensed by the signatory states and
10 jurisdictions.

11 §41-30-44. Lottery games.

12 (a) The commission shall adopt rules governing the
13 licensing, administration, and conduct of lottery games and
14 the retail sale of lottery tickets thereof.

15 (b) No person other than the holder of a lottery
16 retailer license may sell lottery tickets in connection with
17 any lottery game.

18 (c) License fees for a lottery retailer license
19 shall be set by the commission. The lottery retailer license
20 term shall be set by the commission. All license fees shall be
21 remitted to the State Treasury to the credit of the Alabama
22 Gambling Trust Fund.

23 (d) The commission may not grant a lottery retailer
24 license until it determines that each person who has control
25 of the applicant meets all qualifications for licensure as
26 established by rule of the commission. For purposes of this
27 subsection, "control of the applicant" means any owner of 10

1 percent or more of the applicant, its chief executive officer,
2 and any individual who has ultimate responsibility for the
3 applicant's operations in this state.

4 (e) A lottery retailer license authorizes the retail
5 sale of lottery tickets only at the licensed facility of the
6 licensee.

7 (f) A lottery retailer licensee shall submit to the
8 commission such documentation or information as the commission
9 may require demonstrating that the licensee continues to meet
10 the requirements of the law and rules of the commission.

11 (g) The commission may enter into agreements with
12 other states and jurisdictions to authorize individuals who
13 are physically located in a signatory jurisdiction to
14 participate in lottery games conducted by one or more
15 operators licensed by the signatory states and jurisdictions.

16 §41-30-45. Required reports.

17 The holder of a gaming license, sports betting
18 operator license, or lottery retailer license shall maintain
19 daily records showing the gross receipts and adjusted gross
20 receipts of the licensed location from gaming activities and
21 sports betting and shall timely file with the commission any
22 additional reports required by the commission by rule.

23 §41-30-46 State tax on net gaming revenues and net
24 gaming revenues on sports betting and distribution of
25 proceeds.

26 (a) Within 20 days after the end of each calendar
27 month, a licensed operator shall pay the commission a tax of

1 20 percent of the net gaming revenues for the licensed
2 location for the immediately preceding calendar month. The
3 commission shall timely remit all of the proceeds for deposit
4 as follows:

5 (1) Ninety-five percent to the Alabama Gambling
6 Trust Fund.

7 (2) Three percent to the county commission of the
8 county in which the licensed operator is located.

9 (3) Two percent to the governing body of the
10 municipality in which the licensed operator is located,
11 including within its police jurisdiction. If the licensed
12 operator is not located within the corporate limits or police
13 jurisdiction of a municipality, the percentage distributed
14 pursuant to this subdivision shall be remitted to the county
15 commission of the county in which the licensed operator is
16 located.

17 (b) (1) Within 20 days after the end of each calendar
18 month, a licensed operator conducting sports betting, a
19 licensed sports betting operator, and a management services
20 provider shall pay the commission a tax of 20 percent of its
21 net gaming revenues for sports betting for the immediately
22 preceding calendar month. The commission shall timely remit
23 all of the proceeds for deposit as follows:

24 a. First, to the repayment of the Alabama Trust Fund
25 under the People's Trust Act, Section 29-10-1, Code of Alabama
26 1975.

1 b. Upon completion of repayment of the Alabama Trust
2 Fund under the People's Trust Act, to be deposited into the
3 General Fund Budget Reserve Fund established in Section
4 29-13-3, Code of Alabama 1975, until the total balance in the
5 fund is at least one hundred million dollars (\$100,000,000).

6 c. Upon the completion of payments under paragraphs
7 a. and b., to be deposited as follows:

8 1. Eighty percent to the State General Fund.

9 2. Twenty percent to the Alabama Trust Fund.

10 (2) If the net gaming revenue for sports betting
11 properly reflects a net loss, as substantiated by audit, for a
12 licensed operator for a calendar month, an adjustment for the
13 amount of any remaining net loss shall be carried forward on
14 the subsequent tax and fee schedules until the loss is offset
15 by the net gaming revenue for sports betting.

16 (c) (1) Except for any fees levied pursuant to this
17 chapter, the tax on net gaming revenue and net gaming revenue
18 on sports betting shall be in lieu of all other state or local
19 taxes, license fees, or franchise fees levied with respect to
20 the conduct of any gaming activities or the operation of any
21 machines used to conduct gaming activities or sport betting.

22 (2) Any casino license fee payable to the state
23 pursuant to this chapter shall be in lieu of all other state
24 or local license fees or franchise fees levied with respect to
25 a licensee providing hotel services, dining, other facilities,
26 or services ancillary to its gaming activities, if the
27 activities are conducted at licensed locations, but such

1 providers of hotel services, dining, other facilities, or
2 ancillary services must meet the environmental, fire, health,
3 and safety requirements of other similarly situated license
4 holders in the county and municipality in which the facility
5 is located.

6 (3) Notwithstanding the foregoing, all licensed
7 locations are liable for all state and local property taxes,
8 lodging taxes, and sales and use taxes on merchandise sold in
9 gift shops or retail stores, food, and beverages generally
10 applicable at uniform rates to all similarly situated
11 businesses operating in the county and municipality in which
12 the licensed location is located, and except with respect to
13 those taxes, fees, or expenses expressly addressed in this
14 chapter, all other state or local taxes which are generally
15 imposed by the state or a local taxing entity if the taxes are
16 generally applied at rates uniformly applied within reasonable
17 classifications among all businesses operating in the county
18 or municipality, or both.

19 §41-30-47. Alabama Gambling Trust Fund created;
20 distribution of gaming proceeds.

21 (a) The Alabama Gambling Trust Fund is created
22 within the State Treasury.

23 (b) Proceeds in the fund shall be applied first to
24 the payment of the reasonable annual expenses of the
25 commission. The commission shall report annually in writing to
26 the Governor and the Legislature regarding its operational and
27 administrative expenses.

1 (c) Remaining proceeds in the fund shall be annually
2 appropriated by and through an independent supplemental
3 appropriation bill, as follows:

4 (1) Thirty percent to the Department of Mental
5 Health for development and operation of long-term mental
6 health care facilities and provider training.

7 (2) Twenty percent for the statewide development and
8 expansion of broadband services to end users, as that term is
9 defined under Section 41-23-212, Code of Alabama 1975.

10 (3) Twenty percent for the provision of rural health
11 care services, including the provision of telemedicine and
12 virtual health care.

13 (4) Fifteen percent for grant programs awarded to
14 municipalities and counties that do not have a gaming facility
15 within their corporate limits or police jurisdiction for the
16 improvement, repair, and construction of roads and bridges.

17 (5) Ten percent for prison maintenance and capital
18 improvement.

19 (6) Five percent to state park and historical sites
20 development and improvement.

21 §41-30-48. County and municipal grant program.

22 (a) Proceeds distributed from the Alabama Gambling
23 Trust Fund pursuant to Section 41-30-47(c)(4) for grant
24 programs awarded to municipalities and counties that do not
25 have a gaming facility within their corporate limits for
26 infrastructure improvements shall be directed to the Alabama

1 Department of Economic and Community Affairs, which shall
2 administer the grant program.

3 (b) To receive funds under this section, a county or
4 municipality shall file an application with the department
5 describing how the funds will be used to improve, repair, or
6 construct roads and bridges within its jurisdiction and any
7 other information the department may require.

8 (c) The department, by rule, shall adopt rules
9 providing for the award of funds to counties and
10 municipalities under this section.

11 §41-30-49. Alabama Education Lottery Trust Fund
12 created; distribution of proceeds.

13 (a) The Alabama Education Lottery Trust Fund is
14 created in the State Treasury.

15 (b) (1) The proceeds from any lottery approved by the
16 commission shall be applied first to the payment of the
17 expenses of administering, operating, and regulating the
18 lottery, including, without limitation, the payment of all
19 prizes, without any further appropriation required by law.

20 (2) The balance of the proceeds after the payments
21 are applied pursuant to subdivision (1) shall be deposited
22 into the Alabama Education Lottery Trust Fund. The proceeds in
23 the fund shall be appropriated annually by and through an
24 independent supplemental appropriation bill, as provided in
25 Senate Bill __ of the 2022 Regular Session.

26 §41-30-50. Additional rulemaking authority.

1 The commission may adopt rules to implement and
2 administer this chapter, including further defining the terms
3 "gaming activity," "lottery game," and "sports betting."

4 §41-30-51. Chapter subject to terms of federal law
5 and gaming compact.

6 Nothing in this chapter shall be deemed to apply to,
7 authorize state or commission regulation or taxation of, or
8 require state or commission approval of gaming activities or
9 sports betting conducted on land held in trust by the United
10 States for the Poarch Band of Creek Indians, except to the
11 extent that the provision is expressly incorporated into a
12 tribal-state gaming compact entered into by the State of
13 Alabama and the Poarch Band of Creek Indians.

14 Section 2. Sections 13A-12-20, 13A-12-21, 13A-12-22,
15 13A-12-23, 13A-12-24, 13A-12-25, 13A-12-26, 13A-12-27,
16 13A-12-28, 13A-12-30, and 13A-11-9, Code of Alabama 1975, are
17 amended to read as follows:

18 "§13A-12-20.

19 "The following definitions shall apply to this
20 article:

21 "(1) ADVANCE ~~GAMBLING~~ UNLAWFUL GAMING ACTIVITY. A
22 person "~~advances gambling activity~~" if he engages Engaging in
23 conduct that materially aids any form of ~~gambling~~ unlawful
24 gaming activity. ~~Conduct of this nature includes including,~~
25 but ~~is~~ not limited to, conduct directed toward the creation or
26 establishment of the particular game, contest, scheme, device, or
27 or activity involved, conduct directed toward the acquisition

1 or maintenance of premises, paraphernalia, equipment, or
2 apparatus therefor, conduct directed toward the solicitation
3 or inducement of persons to participate therein, conduct
4 directed toward the actual conduct of the playing phases
5 thereof, conduct directed toward the arrangement of any of its
6 financial or recording phases, or conduct directed toward any
7 other phase of its operation. A person advances ~~gambling~~
8 unlawful gaming activity if, having substantial proprietary
9 control or other authoritative control over premises being
10 used with his or her knowledge for purposes of ~~gambling~~
11 unlawful gaming activity, ~~he~~ the person permits that activity
12 to occur or continue, or makes no effort to prevent its
13 occurrence or continuation.

14 ~~"(2) BOOKMAKING. Advancing gambling activity by~~
15 ~~unlawfully accepting bets from members of the public as a~~
16 ~~business, rather than in a casual or personal fashion, upon~~
17 ~~the outcome of future contingent events.~~

18 ~~"(3) CONTEST OF CHANCE. Any contest, game, gaming~~
19 ~~scheme or gaming device in which the outcome depends in a~~
20 ~~material degree upon an element of chance, notwithstanding~~
21 ~~that skill of the contestants may also be a factor therein.~~

22 "(2) CASINO-STYLE GAME. Any casino game, activity,
23 or device approved by the commission that is accessed for play
24 by physical presence at the location site of the game,
25 activity, or device, including, but not limited to: Slot
26 machines; a video lottery; video lottery terminals; electronic
27 representations of pari-mutuel wagering games, including, but

1 not limited to, historical horse racing machines, historical
2 sporting event machines, machines of any kind that are based
3 on historic events, and other technological aids and
4 electronic facsimiles of these games; banking or banked card
5 games, including, but not limited to, poker, baccarat, chemin
6 de fer, and blackjack; all dice games; roulette; all table
7 games and electronic representations of such games; all
8 electronic sweepstakes games, terminals, or devices; and any
9 electronic gaming device used to play these games. This term
10 includes electronic bingo. The term does not include lottery
11 activities or pari-mutuel wagering on simulcast and live
12 racing events.

13 "(3) COMMISSION. The Alabama Education Lottery and
14 Gambling Commission.

15 "(4) ELECTRONIC BINGO. Any game approved by the
16 commission and referred to as bingo if played with an
17 electronic, computer, or other technological aid.

18 ~~"(4) GAMBLING. A person engages in gambling if he~~
19 ~~stakes or risks something of value upon the outcome of a~~
20 ~~contest of chance or a future contingent event not under his~~
21 ~~control or influence, upon an agreement or understanding that~~
22 ~~he or someone else will receive something of value in the~~
23 ~~event of a certain outcome. Gambling does not include bona~~
24 ~~fide business transactions valid under the law of contracts,~~
25 ~~including but not limited to contracts for the purchase or~~
26 ~~sale at a future date of securities or commodities, and~~
27 ~~agreements to compensate for loss caused by the happening of~~

1 ~~chance, including but not limited to contracts of indemnity or~~
2 ~~guaranty and life, health or accident insurance.~~

3 "(5) GAME or GAMING. Engaging in casino-style games
4 or sports betting at a location operating with a license
5 issued by the commission; engaging in casino-style games or
6 sports betting authorized under existing law or rules adopted
7 by the commission; or otherwise staking or risking something
8 of value upon the outcome of a contest of chance or future
9 contingent event not under his or her control or influence and
10 authorized under existing law and approved by the commission,
11 upon an agreement or understanding that he or she or someone
12 else will receive something of value in the event of a certain
13 outcome. The term does not include participation in charitable
14 bingo or raffles.

15 ~~"(5) GAMBLING (6) GAMING DEVICE. Any device,~~
16 ~~machine, paraphernalia or equipment that is normally used or~~
17 ~~usable in the playing phases of any gambling activity, whether~~
18 ~~that activity consists of gambling between persons or gambling~~
19 ~~by a person involving the playing of a machine. However,~~
20 ~~gaming authorized by law and approved by the commission. The~~
21 ~~term does not include lottery tickets, policy slips and other~~
22 ~~items used in the playing phases of lottery and policy schemes~~
23 ~~are not gambling devices within this definition, or antique~~
24 ~~slot machines authorized under existing law.~~

25 "(7) GAMING FACILITY. Any facility licensed by the
26 commission to conduct gaming activity and sports betting.

1 "~~(6) LOTTERY or POLICY. An unlawful gambling scheme~~
2 ~~in which:~~

3 "~~a. The players pay or agree to pay something of~~
4 ~~value for chances, represented and differentiated by numbers~~
5 ~~or by combinations of numbers or by some other medium, one or~~
6 ~~more of which chances are to be designated by the winning~~
7 ~~ones; and~~

8 "~~b. The winning chances are to be determined by a~~
9 ~~drawing or by some other fortuitous method; and~~

10 "~~c. The holders of the winning chances are to~~
11 ~~receive something of value.~~

12 "(8) LOTTERY. The public gaming system authorized
13 under existing law and operated by the Alabama Education
14 Lottery and Gambling Commission.

15 "(9) LOTTERY TICKET or TICKET. Tickets or other
16 tangible evidence of participation used in lottery games or
17 gaming systems.

18 "~~(7) (10) PARI-MUTUEL, MUTUEL or THE NUMBERS GAME. A~~
19 ~~form of lottery. Wagering in which the winning chances or~~
20 ~~plays are not determined upon the basis of a drawing or other~~
21 ~~act on the part of persons conducting or connected with the~~
22 ~~scheme, but upon the basis of the outcome of a future~~
23 ~~contingent event or events otherwise unrelated to the~~
24 ~~particular scheme.~~

25 "~~(8) (11) PLAYER. A person who engages in any form~~
26 ~~of gambling gaming solely as a contestant or bettor, without~~
27 ~~receiving or becoming entitled to receive any profit therefrom~~

1 other than personal ~~gambling~~ gaming winnings, and without
2 otherwise rendering any material assistance to the
3 establishment, conduct, or operation of the particular
4 ~~gambling~~ gaming activity.

5 ~~"(9)~~ (12) PROFIT FROM ~~GAMBLING~~ UNLAWFUL GAMING
6 ACTIVITY. A person ~~"profits from gambling activity"~~ if he
7 ~~accepts or receives~~ The acceptance or receipt of money or
8 other property pursuant to an agreement or understanding with
9 any person whereby he shares or is to share in the proceeds of
10 ~~gambling~~ unlawful gaming activity.

11 ~~"(10)~~ (13) SLOT MACHINE. A ~~gambling~~ gaming device
12 that, as a result of the insertion of a coin or other object,
13 operates, either completely automatically or with the aid of
14 some physical act by the player, in ~~such~~ a manner that,
15 depending upon elements of chance, it may eject something of
16 value. A device ~~so~~ constructed or readily adaptable or
17 convertible to such use is no less a slot machine because it
18 is not in working order or because some mechanical act of
19 manipulation or repair is required to accomplish its
20 adaptation, conversion or workability. Nor is it any less a
21 slot machine because apart from its use or adaptability as
22 such it may also sell or deliver something of value on a basis
23 other than chance.

24 ~~"(11)~~ (14) SOMETHING OF VALUE. Any money or
25 property, any token, object or article exchangeable for money
26 or property or any form of credit or promise directly or
27 indirectly contemplating transfer of money or property or of

1 any interest therein, or involving extension of a service
2 entertainment or a privilege of playing at a game or scheme
3 without charge.

4 "(15) SPORTING EVENT. Any amateur sport or athletic
5 event, professional sport or athletic event, any collegiate
6 sport or athletic event, motor race event, electronic sports
7 event, competitive video game event, or any other event
8 authorized by the commission under the act adding this
9 amendatory language. The term does not include any amateur
10 youth sports or athletic event.

11 "(16) SPORTS BETTING. The acceptance of wagers on
12 sporting events or portions of sporting events, the individual
13 performance statistics of athletes in a sporting event, or a
14 combination of any of the same by any system or method of
15 wagering authorized in general law. The term may include
16 single-game wagers, teaser wagers, parlays, over-under,
17 moneyline, pools, exchange wagering, in-game wagering, in-play
18 wagers, proposition wagers, straight wagers, and any other
19 wager authorized by the commission. The term does not include
20 wagers on fantasy sports contests authorized under Chapter 19F
21 of Title 8.

22 ~~"(12)~~ (17) UNLAWFUL GAMING. Not Gaming not
23 specifically authorized by the constitution, general law, or
24 the commission.

25 "§13A-12-21.

1 "(a) A person commits the crime of ~~simple gambling~~
2 unlawful gaming activity if he or she knowingly advances or
3 profits from unlawful ~~gambling~~ gaming activity as a player.

4 "(b) It is a defense to a prosecution under this
5 section that a person charged ~~with being a player~~ with
6 violating this section was engaged in playing a social game in
7 a private place. The burden of injecting the issue is on the
8 defendant, but this does not shift the burden of proof.

9 "(c) ~~Simple gambling~~ Unlawful gaming activity is a
10 Class C misdemeanor.

11 "§13A-12-22.

12 "(a) A person commits the crime of promoting
13 ~~gambling~~ unlawful gaming activities if ~~he~~ the person knowingly
14 advances or profits from unlawful ~~gambling~~ gaming activity
15 otherwise than as a player.

16 "(b) Promoting ~~gambling~~ unlawful gaming activities
17 is a Class ~~A misdemeanor~~ D felony.

18 "§13A-12-23.

19 "(a) A person commits the crime of conspiracy to
20 promote ~~gambling~~ unlawful gaming activities if ~~he~~ the person
21 conspires to advance or profit from ~~gambling~~ unlawful gaming
22 activity otherwise than as a player.

23 "(b) ~~"Conspire"~~ For the purposes of this section,
24 "conspire" means to engage in activity constituting a criminal
25 conspiracy as defined in Section 13A-4-3.

26 "(c) Conspiracy to promote ~~gambling~~ unlawful gaming
27 activity is a Class ~~A misdemeanor~~ D felony.

1 "§13A-12-24.

2 "(a) A person commits the crime of unlawful
3 possession of ~~gambling~~ gaming records in the first degree if,
4 with knowledge of the contents thereof, ~~he~~ the person
5 possesses any writing, paper, instrument, or article commonly
6 used in either of the following:

7 "~~(1) Of a kind commonly used in the operation or~~
8 ~~promotion of a bookmaking scheme or enterprise,~~ The operation
9 or promotion of unlawful sports betting and constituting,
10 reflecting, or representing more than five ~~bets,~~ wagers or
11 more than ~~\$500.00,~~ or five hundred dollars (\$500).

12 "~~(2) Of a kind commonly used in the operation,~~
13 ~~promotion or playing of a lottery or mutuel scheme or~~
14 ~~enterprise,~~ The operation, promotion, or playing of an
15 unlawful lottery and constituting, reflecting, or representing
16 more than five plays or chances ~~therein.~~

17 "(b) ~~Possession~~ Unlawful possession of ~~gambling~~
18 gaming records in the first degree is a Class ~~A misdemeanor~~ C
19 felony.

20 "§13A-12-25.

21 "(a) A person commits the crime of unlawful
22 possession of ~~gambling~~ gaming records in the second degree if,
23 with knowledge of the contents thereof, he or she possesses
24 any writing, paper, instrument, or article commonly used in
25 either of the following:

1 "~~Of a kind commonly and peculiarly used in the~~
2 The operation or promotion of a bookmaking scheme or
3 ~~enterprise; or~~ unlawful sports betting.

4 "~~Of a kind commonly and peculiarly used in the~~
5 The operation, promotion, or playing of a lottery ~~or mutuel~~
6 ~~scheme or enterprise.~~

7 "(b) ~~Possession~~ Unlawful possession of ~~gambling~~
8 gaming records in the second degree is a Class ~~A misdemeanor~~ D
9 felony.

10 "§13A-12-26.

11 "A person does not commit the crime of possession of
12 ~~gambling gaming~~ records ~~in either degree~~ pursuant to Section
13 13A-12-24 or 13A-12-25, if the writing, paper, instrument or
14 article possessed by the defendant is neither used nor
15 intended to be used in the operation or promotion of ~~a~~
16 ~~bookmaking scheme or enterprise~~ unlawful sports betting, or in
17 the operation, promotion, or playing of ~~a~~ an unlawful lottery
18 ~~or mutuel scheme or enterprise.~~ The burden of injecting the
19 issue is on the defendant, but this does not shift the burden
20 of proof.

21 "§13A-12-27.

22 "(a) A person commits the crime of unlawful
23 possession of a ~~gambling gaming~~ device if, with knowledge of
24 the character ~~thereof~~ of the device ~~he~~ the person
25 manufactures, sells, transports, places, or possesses, or
26 conducts or negotiates any transaction affecting or designed

1 to affect ownership, custody, or use of either of the
2 following:

3 "(1) A ~~slot machine; or~~ casino-style game not
4 authorized under law or rules of the commission.

5 "(2) ~~Any other gambling device, with the intention~~
6 ~~that it~~ A casino-style game be used in ~~the advancement of~~
7 ~~unlawful gambling gaming~~ activity.

8 "(b) ~~Possession~~ Unlawful possession of a ~~gambling~~
9 gaming device is a Class ~~A misdemeanor~~ D felony.

10 "§13A-12-28.

11 "(a) Proof of possession of any ~~gambling gaming~~
12 ~~device, as defined by subdivision (5) of in~~ Section 13A-12-20, ~~or~~
13 ~~any gambling unlawful gaming record, as~~ specified in
14 Sections 13A-12-24 and 13A-12-25, ~~is~~ prima facie evidence of
15 possession ~~thereof~~ with knowledge of its character or
16 contents.

17 "(b) In any prosecution under this article in which
18 it is necessary to prove the occurrence of a sporting event,
19 either of the following shall be admissible and shall be prima
20 facie proof of the occurrence of the event:

21 "(1) ~~a~~ A published report of its occurrence in any
22 daily newspaper, magazine or other periodically printed
23 publication of general circulation, ~~or.~~

24 "(2) ~~evidence~~ Evidence that a description of some
25 aspect of the event was written, printed, ~~or~~ otherwise noted
26 at the place in which a violation of this chapter is alleged
27 to have been committed, ~~shall be admissible in evidence and~~

1 ~~shall constitute prima facie proof of the occurrence of the~~
2 ~~event.~~

3 "§13A-12-30.

4 "(a) Any ~~gambling~~ gaming device or ~~gambling~~ gaming
5 record unlawfully possessed or used in violation of this
6 article ~~is~~ shall be forfeited to the state, and shall by court
7 order be destroyed or otherwise disposed of as the court
8 directs.

9 "(b) Any vehicle possessed or used in violation of
10 this article may be forfeited to the state and disposed of by
11 court order as authorized by law.

12 "(c) Money used as ~~bets~~ wagers or stakes in ~~gambling~~
13 unlawful gaming activity in violation of this article ~~is~~ shall
14 be forfeited to the state and by court order shall be
15 transmitted to the State General Fund ~~of the state.~~

16 "§13A-11-9.

17 "(a) A person commits the crime of loitering if he
18 or she does any of the following:

19 "(1) Loiters, remains, or wanders about in a public
20 place for the purpose of begging.

21 "(2) Loiters or remains in a public place for the
22 purpose of ~~gambling~~ unlawful gaming activity.

23 "(3) Loiters or remains in a public place for the
24 purpose of engaging or soliciting another person to engage in
25 prostitution or sodomy, as that term is denied under Section
26 13A-6-60.

1 "(4) Being masked, loiters, remains, or congregates
2 in a public place.

3 "(5) Loiters or remains in or about a school,
4 college, or university building or grounds after having been
5 told to leave by any authorized official of the school,
6 college, or university, not having any reason or relationship
7 involving custody of or responsibility for a pupil or any
8 other specific, legitimate reason for being there, and not
9 having written permission from a school, college or university
10 administrator.

11 "(6) Loiters or remains in any transportation
12 facility, unless specifically authorized to do so, for the
13 purpose of soliciting or engaging in any business, trade, or
14 commercial transactions involving the sale of merchandise or
15 services.

16 "(7) Loiters or remains in any place with one or
17 more persons for the purpose of unlawfully using or possessing
18 a dangerous drug.

19 "(b) A person does not commit a crime under
20 subdivision (a) (4) if he or she is going to or from or staying
21 at a masquerade party, or is participating in a public parade
22 or presentation of an educational, religious, or historical
23 character or in an event as defined in Section 13A-11-140.

24 "~~(c) Sodomy in subdivision (a) (3) is defined as in~~
25 ~~Section 13A-6-60.~~

1 "~~(d)~~ (c) Dangerous drug in subdivision (a) (7) means
2 any narcotic, drug, or controlled substance as defined in
3 Chapter 2 of Title 20 and any schedule incorporated therein.

4 "~~(e)~~ (d) Loitering is a violation."

5 Section 3. Sections 13A-12-32 through 13A-12-39,
6 inclusive, are added to the Code of Alabama 1975, to read as
7 follows:

8 §13A-12-32.

9 (a) It is unlawful to intentionally use or possess,
10 at a gaming facility, an electronic, electrical, or mechanical
11 device that is designed, constructed, or programmed to assist
12 the user or another person to do any of the following:

13 (1) Project the outcome of any casino-style game.

14 (2) Keep track of cards dealt or in play.

15 (3) Analyze the probability of the occurrence of an
16 event relating to any casino-style game.

17 (4) Analyze the strategy for playing or wagering to
18 be used in any casino-style game, except as permitted by the
19 commission.

20 (5) Obtain an advantage in playing any casino-style
21 game.

22 (b) A gaming facility shall post notice of this
23 prohibition and the penalties for violations in a manner
24 determined by the commission.

25 (c) A violation of this section is a Class D felony.

26 §13A-12-33.

1 (a) It is unlawful for any individual to cheat at
2 any casino-style game or sports betting.

3 (b) A violation of this section is a Class D felony.
4 §13A-12-34.

5 (a) It is unlawful to manufacture, sell, or
6 distribute any cards, chips, die, game, or device that is
7 intended to be used to violate the laws of this state or rules
8 of the commission.

9 (b) It is unlawful for any individual to use
10 counterfeit chips in any casino-style game.

11 (c) It is unlawful for any individual, in playing a
12 casino-style game designed to be played with, received, or be
13 operated by chips or tokens approved by the commission or
14 lawful coins of the United States of America, to knowingly use
15 chips or tokens not approved by the commission or to use
16 unlawful coins of the United States of America.

17 (d) A violation of this section is a Class D felony.
18 §13A-12-35.

19 (a) It is unlawful to instruct an individual in
20 cheating or in the use of a device for that purpose, with the
21 knowledge or intent, that the information or use may be
22 employed to violate existing law or rules adopted by the
23 commission.

24 (b) A violation of this section is a Class D felony.
25 §13A-12-36.

26 (a) It is unlawful to place, increase, or decrease a
27 wager or determine the course of play after acquiring

1 knowledge, not available to all players, of the outcome of any
2 casino-style game or event that affects the outcome of the
3 game or that is the subject of the wager, or to aid an
4 individual in acquiring such knowledge for the purpose of
5 placing, increasing, or decreasing a wager or determining the
6 course of play contingent on that event or outcome.

7 (b) A violation of this section is a Class D felony.

8 §13A-12-37.

9 (a) (1) It is unlawful to claim, collect, take, or
10 attempt to claim, collect, or take money or anything of value
11 into or from a casino-style game, with the intent to defraud,
12 without having made a wager contingent thereon.

13 (2) It is unlawful to claim, collect, or take any
14 amount of money or anything of value greater than the amount
15 won.

16 (b) A violation of this section is a Class D felony.

17 §13A-12-38.

18 (a) It is unlawful for an individual, other than a
19 gaming facility employee or agent acting in furtherance of his
20 or her employment, to have in his or her possession on the
21 grounds of a gaming facility, or grounds contiguous to the
22 gaming facility, any device intended to be used to violate the
23 laws in this state or a rule of the commission.

24 (b) A violation of this section is a Class D felony.

25 §13A-12-39.

26 (a) It is unlawful for an individual, other than a
27 gaming facility employee or agent acting in furtherance of his

1 or her employment, to have in his or her possession, within a
2 gaming facility, a key or device known to have been designed
3 for the purpose of opening, entering, or affecting the
4 operation of any casino-style game, drop box, or any
5 electronic or mechanical device connected thereto, or for
6 removing money, token, chips, or any other contents.

7 (b) A violation of this section is a Class D felony.

8 Section 4. The following sections of the Code of
9 Alabama 1975 are repealed:

10 (1) Section 11-47-111, Code of Alabama 1975,
11 relating to prohibition of gambling houses.

12 (2) Section 13A-12-29, Code of Alabama 1975,
13 relating to lotteries drawn outside of the state.

14 (3) Division 2 of Article 2 of Chapter 12 of Title
15 13A, Code of Alabama 1975, relating to suppression of gambling
16 places.

17 (4) Division 3 of Article 2 of Chapter 12 of Title
18 13A, Code of Alabama 1975, relating to the transportation of
19 lottery paraphernalia.

20 (5) Division 4 of Article 2 of Chapter 12 of Title
21 13A, Code of Alabama 1975, relating to the federal wagering
22 occupational tax stamp.

23 Section 5. Although this bill would have as its
24 purpose or effect the requirement of a new or increased
25 expenditure of local funds, the bill is excluded from further
26 requirements and application under Amendment 621, as amended
27 by Amendment 890, now appearing as Section 111.05 of the

1 Official Recompilation of the Constitution of Alabama of 1901,
2 as amended, because the bill defines a new crime or amends the
3 definition of an existing crime.

4 Section 6. This act shall be repealed in its
5 entirety in the event the constitutional amendment proposed in
6 Senate Bill __ of the 2022 Regular Session fails to be
7 ratified in the November 2022 General Election.

8 Section 7. This act shall become effective
9 immediately following its passage and approval by the
10 Governor, or its otherwise becoming law.