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3 SUBSTITUTE FOR SB380
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8 SYNOPSIS: This bill would propose an amendment to the
9 Constitution of Alabama of 1901, to establish the
10 Alabama Bingo Control Amendment, to authorize bingo
11 at Points of Destination in each of the current
12 seven Congressional Districts of the state, to levy
13 taxes on bingo operations, to distribute the
14 proceeds to the Education Trust Fund and the
15 General Fund for the benefit of the state Medicaid
16 program and senior programs administered by the
17 Alabama Department of Senior Services and the
18 Alabama Area Agencies on Aging and the Intellectual
19 Disability/Mental Retardation Waiting List
20 administered by the Department of Mental Health, as
21 well as to any county that has no local bingo
22 constitutional amendment, to limit bingo throughout
23 the state while enhancing tourism through the
24 creation of Points of Destination, to create a
25 State Gaming Commission to regulate bingo in
26 Alabama and enforce the gambling laws of the state,
27 and to relieve operators of maritime gaming on

1 cruise ships docked in Mobile from the application
2 of certain laws in the state that adversely affect
3 maritime gaming on cruise ships.

4
5 A BILL
6 TO BE ENTITLED
7 AN ACT
8

9 To amend the Constitution of Alabama of 1901, to
10 establish the Alabama Bingo Control Amendment, to authorize
11 bingo in each of the current seven Congressional Districts of
12 the state, levy taxes on bingo games and distribute the
13 proceeds, limit bingo throughout the state while enhancing
14 tourism through the creation of Points of Destination, create
15 a State Gaming Commission for the regulation of bingo games
16 and for the enforcement of the gambling laws of the state, and
17 to relieve operators of maritime gaming on cruise ships docked
18 in Mobile from the application of certain laws in the state
19 that adversely affect maritime gaming on cruise ships.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

27 PROPOSED AMENDMENT

1 PART I.

2 This amendment shall be known and may be cited as
3 the Alabama Bingo Control Amendment.

4 PART II.

5 Section 1. Declarations. Because Alabama has
6 experienced a proliferation of bingo gaming throughout the
7 state, it is of paramount importance for such bingo
8 enterprises to be limited, regulated, and taxed. This
9 amendment authorizes bingo to be conducted at Points of
10 Destination in each of the current seven Congressional
11 Districts of the state where a member of the United States
12 House of Representatives is elected, and through taxation of
13 bingo, enhances the economic viability of such areas and
14 raises additional revenue for the State General Fund to
15 benefit the state Medicaid program and senior programs
16 administered by the Alabama Department of Senior Services and
17 the Alabama Area Agencies on Aging and the Intellectual
18 Disability/Mental Retardation Waiting List administered by the
19 Department of Mental Health, and the Education Trust Fund for
20 the benefit of the public schools, as well as provide
21 additional revenue to any county that has no local bingo
22 constitutional amendment. To prohibit the proliferation of
23 illegal and unregulated gaming in the state, this amendment
24 further creates a State Gaming Commission for the regulation
25 of bingo and for the enforcement of gambling laws of this
26 state and prescribes certain conditions and prohibitions
27 governing gaming activities. This amendment further prescribes

1 development tax credits to induce investments in non-gaming
2 amenities at Points of Destination in each Congressional
3 District to assure that bingo revenues serve as a catalyst to
4 create jobs and develop an entertainment and tourism industry
5 in the state. This amendment also protects maritime gaming on
6 the cruise ships docked in Mobile from the application of
7 certain laws in the state that adversely affect maritime
8 gaming on cruise ships.

9 Section 2. Definitions. As used in this amendment,
10 the following words and phrases shall have the following
11 respective meanings:

12 "BINGO" means a game of chance incorporating the
13 following elements: (i) the game must be played on a grid of
14 five horizontal rows intersected by five vertical rows, with
15 each row divided into five contiguous squares contained within
16 the grid; (ii) the game must be played by two or more players
17 with each player being assigned one or more grids; (iii) each
18 square of each of the grids used in playing the game must be
19 identified by a number or symbol, and all the numbers or
20 symbols so used to identify the squares of the grids available
21 for play must be included in an aggregation of such numbers or
22 symbols from which selection can be made for each round of
23 play; (iv) for each round of play, numbers or symbols are
24 selected by a procedure or mechanism entirely or predominantly
25 governed by chance and, as such numbers or symbols are
26 selected in a particular game, the same numbers or symbols, if
27 they are present on one or more of the squares on any grid in

1 play, are covered or otherwise marked on such grid, except
2 that one of the squares can be designated a "free" space; (v)
3 the winner or winners of a particular game are the players of
4 those grids for which a previously designated pattern or
5 arrangement is first covered or marked; (vi) the game cannot
6 be played by a solitary player, and one or more players must
7 compete against one or another for prizes; (vii) every game
8 must have one or more winners; (viii) monetary wagers may be
9 collected from the players of bingo for the opportunity to
10 participate in the game, and such wagers may vary in amount to
11 reflect the value of the prize for winning a particular game,
12 whether the wager is for participation in the whole game or a
13 particular phase thereof, as well as other factors depending
14 upon the interplay of the amount wagered, the size of the
15 prize and the probability of winning; and (ix) the prizes for
16 winning the game can be money or anything else of value
17 without limit as to amount, and consolation or interim prizes
18 may be given to players who are not winners. To the extent
19 that the foregoing elements are present in the game of bingo,
20 it can be played with different kinds of equipment, including
21 but not limited to traditional cards and bingo technologic
22 aid.

23 "BINGO GROSS REVENUE" when used with reference to
24 any facility conducting bingo means the total amount of money
25 or value in any form received by the operator of a bingo
26 establishment with respect to the playing of bingo using bingo
27 technologic aid and traditional bingo equipment, less the

1 total amount of money or value in any form paid as winnings to
2 the players of bingo, but before deduction of any expenses
3 incurred in operating the bingo establishment, including,
4 without limitation thereto, depreciation or leasing costs of
5 physical facilities and equipment, wages and other employment
6 costs, utilities, interest, and taxes; provided that bingo
7 gross revenue shall not include all or any part of the amounts
8 wagered in pari-mutuel pools on racing and, further, shall not
9 be construed as constituting any amount wagered in such
10 pari-mutuel pools for the purpose of determining any tax
11 levied on pari-mutuel wagering or for any other purpose.

12 "BINGO TECHNOLOGIC AID" means any mechanical,
13 electromechanical, electronic, or video machine or device, or
14 component thereof, that, for consideration, assists or allows
15 a player to play a game of bingo. Bingo technologic aid
16 includes electronic machines or devices that perform the
17 operations of the game using digital computers or
18 micro-processors and that interact with the human players by
19 means of a video console. If the bingo technologic aid
20 determines and signals the winner, such bingo technologic aid
21 shall be electronically linked to ensure that two or more
22 players are competing against each other.

23 "BINGO VENDOR" means any person who manufactures,
24 distributes, supplies, vends, or leases bingo technologic aid
25 necessary to conduct bingo by a bingo operator.

26 "COMMISSION" means the State Gaming Commission
27 created by this amendment.

1 "CONGRESSIONAL DISTRICT" means one of the seven
2 geographically designated districts that exist on the
3 effective date of this amendment within the state that is
4 entitled to elect one representative to the United States
5 House of Representatives.

6 "LOCAL BINGO AMENDMENT" means any amendment to the
7 Constitution of Alabama of 1901, other than this amendment,
8 which authorizes bingo to be played in a particular county or
9 municipality and which was adopted prior to the effective date
10 of this amendment by the affirmative vote of the entire
11 electorate of the state pursuant to Section 284 of the
12 Constitution of Alabama of 1901, or, alternatively, was
13 adopted at any time, whether before or after the effective
14 date of this amendment, by the affirmative vote of the
15 electorate of a single county pursuant to Amendment 425 or
16 Amendment 555 to the Constitution of Alabama of 1901.

17 "LOCAL GROSS RECEIPTS TAX" means the local gross
18 receipts tax levied by the state pursuant to Section 7 hereof
19 on all bingo at Points of Destination in the state.

20 "MARITIME GAMING" means, when used with reference to
21 cruise ships that embark and disembark passengers and take on
22 supplies at saltwater ports in the state, casino gaming
23 conducted for profit on such ships while cruising or anchored
24 on the high seas beyond the territorial jurisdiction of
25 Alabama law. Maritime gaming includes, without limitation
26 thereto, all banked card and table games and games played with
27 "gambling devices" or "slot machines" within the meaning of

1 subsections (5) and (10) of Section 13A-12-20 of the Code of
2 Alabama 1975.

3 "NONPROFIT ORGANIZATION" means a nonprofit
4 organization or governmental entity allowed to conduct bingo
5 under a local bingo amendment.

6 "OPERATOR" means any person, corporation, limited
7 liability company, or other legal entity now or hereafter
8 conducting bingo.

9 "PERSON" means any natural person, corporation, or
10 limited liability company, partnership, association, or other
11 legal entity, whether or not operated for profit, capable of
12 being sued or made subject to a criminal prosecution.

13 "POINT OF DESTINATION" means a Point of Destination
14 designated in Section 5 of this amendment.

15 "RACETRACK" when used with respect to any facility
16 located in the state, means a single facility at which
17 pari-mutuel wagering on live or telecast racing events is
18 authorized by law when this amendment shall become effective,
19 together with any observation facilities, authorized
20 equipment, restaurants, and other physical facilities and
21 improvements that together constitute such racing facility,
22 including facilities necessary or desirable for conducting
23 bingo. There are four racetracks located in the state, one in
24 Mobile County, one in Macon County, one in the City of
25 Birmingham in Jefferson County, and one in Greene County.

26 "STATE GROSS RECEIPTS TAX" means the state gross
27 receipts tax levied by the state pursuant to Section 7 hereof,

1 on all bingo at Points of Destination or illegal gambling in
2 the state.

3 Section 3. Scope of Amendment.

4 (a) If bingo played with bingo technologic aid is
5 conducted under the claimed authorization of a local bingo
6 amendment, and any accompanying rules promulgated thereunder,
7 then the succeeding provisions of this subsection shall also
8 apply, both retroactively and prospectively, to bingo
9 conducted by licensees set forth in Section 5 of this
10 amendment that previously operated pursuant to such local
11 bingo amendment and accompanying rules. The conduct of bingo
12 with bingo technologic aid at a Point of Destination shall not
13 be prohibited, limited, or impaired by (i) any provision or
14 interpretation of Section 65 of the Constitution of Alabama of
15 1901, (ii) any provision or interpretation of any local bingo
16 amendment, including the particular local bingo amendment
17 pursuant to which the licensee at the Point of Destination has
18 heretofore and now conducts bingo in any form or on behalf of
19 any charitable organization, (iii) any otherwise applicable
20 provisions of Title 13A, Chapter 12, Article 2, or Title 8,
21 Chapter 1, Article 8, Code of Alabama 1975, (iv) any other
22 statute whenever enacted that is inconsistent with any
23 provision of this amendment, and (v) any judicial judgment,
24 decision or opinion that would otherwise have the effect of
25 prohibiting, limiting, or impairing the conduct of bingo or
26 bingo played with technologic aid in connection therewith. No
27 provision of this amendment shall be construed to allow any

1 person to conduct bingo games except as permitted pursuant to
2 this amendment.

3 (b) Bingo technologic aid, whether considered
4 separately or as a system consisting of multiple components,
5 shall not for any purpose be deemed to be a "gambling device"
6 or "slot machine" within the meaning of Section 13A-12-20(5)
7 and (10), Code of Alabama 1975.

8 (c) In no event shall this amendment preclude any
9 nonprofit organization or governmental entity from conducting
10 bingo in this state in accordance with this general amendment
11 or any local bingo amendment so long as the following
12 conditions are met: (i) any and all proceeds derived from such
13 bingo accrues to the nonprofit organization or governmental
14 entity for the furtherance of its purpose; (ii) no expenses
15 may be paid to any person or entity to operate bingo; (iii)
16 the nonprofit organization or governmental entity shall not
17 enter into any contract with any person to have said person
18 operate bingo on behalf of the nonprofit organization or
19 governmental entity, nor shall the nonprofit organization or
20 governmental entity pay consulting fees to any person for
21 services performed in relation to the operation or conduct of
22 bingo; (iv) the bingo conducted at such location pursuant to
23 the local bingo amendment does not allow the play, or
24 facilitate the playing of, more than one bingo game per minute
25 in any single building, hall, or other location used for
26 playing bingo by the nonprofit organization or governmental
27 entity; and (vi) no bingo technologic aid used in playing

1 bingo pursuant to a local constitutional amendment shall be
2 deemed to constitute lawfully authorized bingo technologic aid
3 unless the use thereof shall be lawfully authorized by the
4 independent construction of such local bingo amendment without
5 taking into account any provision of this amendment.

6 (d) No criminal prosecution under any provision of
7 Title 13A, Chapter 12, Article 2, Code of Alabama 1975, shall
8 be brought or maintained against any person for engaging in
9 maritime gaming, but only so long as the cruise ship during
10 its voyage makes intervening stops to other states, United
11 States possessions, or a foreign country.

12 Section 4. Compliance with Federal Law.

13 The State of Alabama, acting by and through the
14 adoption of this amendment, and in accordance with the
15 provisions of 15 U.S.C. § 1172, does hereby declare that any
16 and all bingo technologic aid and equipment, materials,
17 paraphernalia, supplies, and gambling devices for maritime
18 gaming on cruise ships, may be transported in interstate
19 commerce into or out of the state without violating § 1172, or
20 any other applicable federal law, if such bingo technologic
21 aid and equipment, paraphernalia, materials, supplies, or
22 gambling devices for maritime gaming on cruise ships, are
23 used, or to be used, or have been used, in the conduct of
24 bingo at licensed Points of Destination, or to conduct
25 maritime gaming on cruise ships.

26 Section 5. Limit in the number of Points of
27 Destination.

1 The State Gaming Commission shall be authorized to
2 license Points of Destination in the seven Congressional
3 Districts in the state as follows:

4 (1) Congressional District 1, one bingo location
5 which shall be the racetrack in Mobile County;

6 (2) Congressional District 2, three bingo locations
7 consisting of the Houston County bingo licensee and the two
8 City of White Hall bingo licensees;

9 (3) Congressional District 3, one bingo location
10 which shall be the racetrack in Macon County;

11 (4) Congressional District 4, one bingo location
12 which shall be selected by the State Gaming Commission;

13 (5) Congressional District 5, one bingo location
14 which shall be selected by the State Gaming Commission;

15 (6) Congressional District 6, two bingo locations,
16 one Point of Destination which shall be the racetrack in the
17 City of Birmingham in Jefferson County and one Point of
18 Destination which shall be selected by the State Gaming
19 Commission; and

20 (7) Congressional District 7, one bingo location
21 which shall be the racetrack in Greene County.

22 Section 6. Licensees at Points of Destination
23 Authorized to Conduct Bingo Using Bingo Technologic Aid and
24 Equipment.

25 (a) The Houston County licensee and the two City of
26 White Hall bingo licensees all being located in Congressional
27 District 2, the racetrack in Macon County located in

1 Congressional District 3, and the racetrack in Greene County
2 located in Congressional District 7 are each hereby granted
3 temporary licenses and authorized to immediately conduct bingo
4 using bingo technologic aid at their respective Points of
5 Destination designated in Section 5 of this amendment upon
6 payment of the license fee and posting of bond required by
7 Section 14 of this amendment. These temporary licenses shall
8 remain valid for 120 days following confirmation by the
9 Alabama State Senate of all commission members in order for
10 the State Gaming Commission to investigate such licensees and
11 its owners, at which time within such 120-day time period, the
12 permanent license shall be issued by the State Gaming
13 Commission and without application by the licensee if the
14 investigation proves that such licensee and its owners comply
15 with the provisions of this amendment. The racetrack in Mobile
16 County located in Congressional District 1 and the racetrack
17 in the City of Birmingham located in Congressional District 6
18 shall each be issued a permanent license to conduct bingo by
19 the State Gaming Commission, without application, within 120
20 days following confirmation by the Alabama State Senate of all
21 commission members if the State Gaming Commission determines
22 in its investigation that each such licensee and its owners
23 comply with the provisions of this amendment.

24 (b) Following the effective date of this amendment,
25 any applicant for a license to conduct bingo at a Point of
26 Destination in each of Congressional District 4, Congressional
27 District 5, and Congressional District 6 must first be

1 approved by a majority vote of the local screening committee
2 for the county in which the applicant intends to operate bingo
3 at a Point of Destination. Such local screening committee
4 shall consist of the district attorney or his or her designee,
5 the chair of the county commission or his or her designee, and
6 the sheriff of such county or his or her designee. If such
7 local screening committee rejects by majority vote the
8 application of such applicant, the State Gaming Commission
9 shall not consider the applicant for a license to operate
10 bingo at such Point of Destination. In lieu of the foregoing
11 provisions concerning the local screening committee, for any
12 applicant for a license to conduct bingo at a Point of
13 Destination in each of Congressional District 4, Congressional
14 District 5, and Congressional District 6, where such Point of
15 Destination is within the corporate limits or the police
16 jurisdiction of a municipality, such application for a Point
17 of Destination must be approved by a resolution of the city
18 governing body of such municipality prior to consideration by
19 the commission. The State Gaming Commission shall select an
20 operator to conduct bingo using bingo technologic aid at one
21 Point of Destination in each of Congressional District 4,
22 Congressional District 5, and Congressional District 6. Any
23 licensee or applicant for a bingo license at any Point of
24 Destination shall be subject to investigation by the State
25 Gaming Commission and shall comply with this amendment and the
26 rules of the State Gaming Commission. After holding public
27 hearings conducted pursuant to the Alabama Administrative

1 Procedure Act, the commission shall determine if the location
2 of the application for a license may be expected to result in
3 a net increase of revenue and payments remitted to the state
4 by the bingo operator. The State Gaming Commission shall issue
5 the state bingo license to the operator selected by it at a
6 Point of Destination in each of Congressional District 4,
7 Congressional District 5, and Congressional District 6, so
8 long as each operator is approved by the local screening
9 committee or the city governing body in the municipality in
10 which the Point of Destination is located, as the case may be,
11 and is in compliance with the qualifications of a bingo
12 licensee as provided in this amendment.

13 (c) Any general or local law, ordinance, or
14 regulation affecting dog or horse racing and pari-mutuel
15 wagering thereon now in effect or hereafter enacted to the
16 contrary notwithstanding, the operator of each racetrack shall
17 be entitled to conduct business, including both pari-mutuel
18 wagering and bingo, with the full participation of betting
19 patrons physically on the premises of such racetrack and on
20 such days and during such times as such operator determines to
21 be necessary or beneficial for the profitability of such
22 racetrack; provided, however, that each racetrack must comply
23 with all generally applicable laws, local acts, and county and
24 municipal ordinances governing the times during which
25 businesses serving the general public may sell alcoholic
26 beverages.

1 (d) In order to discourage predatory competition
2 among the Points of Destination that may legally conduct bingo
3 pursuant to this amendment, the operator of any Point of
4 Destination is authorized to enter into an agreement with the
5 operator of another Point of Destination to share profits from
6 the conduct of bingo in such proportions and to cooperate in
7 such manner with respect to conducting bingo as such operators
8 may deem to be mutually beneficial. The provisions of this
9 section shall be retroactive, and any such profit sharing or
10 cooperative agreement entered into by operators prior to the
11 effective date of this amendment shall be given full force and
12 effect and shall be deemed ratified and confirmed by this
13 amendment. For purposes of this section, an operator of a
14 Point of Destination shall be deemed to include any Alabama
15 corporation, limited liability company, partnership, or other
16 legal entity exercising control of, being controlled by, or
17 being under common control with, any such operator.

18 (e) No licensed bingo operator at a given Point of
19 Destination conducting bingo using bingo technologic aid shall
20 operate without remitting to the state the applicable state
21 gross receipts tax and local gross receipts tax on all bingo
22 gross revenue.

23 (f) No person under the age of 19 years shall be
24 permitted to play any game of bingo using bingo technologic
25 aid, nor shall any person under the age of 19 years be
26 employed to operate bingo technologic aid, or to facilitate
27 the playing of bingo using bingo technologic aid or to serve

1 any persons playing bingo using bingo technologic aid. This
2 subsection shall not be construed to prohibit persons under
3 the age of 19 years from being allowed on the premises of a
4 facility where bingo is played or being served in food and
5 beverage service operations located in such facility.

6 (g) The racing commissions respectively having
7 jurisdiction of the racetracks, in addition to the powers that
8 each thereof has under existing law, shall have the same
9 powers to regulate and supervise the conduct of bingo as each
10 has to regulate and supervise racing activities and
11 pari-mutuel wagering thereon, with such modification of such
12 powers, not inconsistent with the provisions of this
13 amendment, as is necessary or appropriate to adapt them to the
14 purposes of regulating and supervising bingo; provided,
15 however, the regulatory and supervisory power of each local
16 racing commission over bingo at the racetrack shall be
17 subordinate to and not duplicative of the regulatory and
18 supervisory power of the State Gaming Commission over the
19 conduct of bingo at the racetrack with any enforcement action
20 of the State Gaming Commission to control and prevail. Any
21 additional operating expenses incurred by the racing
22 commissions to regulate bingo must be approved and funded by
23 the State Gaming Commission.

24 (h) All monetary obligations in contracts between a
25 licensed bingo operator for a Point of Destination and
26 nonprofit organizations or in contracts between a licensed
27 bingo operator and a local governing body for a Point of

1 Destination entered into prior to the effective date of this
2 amendment shall remain in full force and effect and shall not
3 be terminated as a result of this amendment.

4 Section 7. State Gross Receipts Tax and Use of the
5 Proceeds Thereof; Local Gross Receipts Tax and Use of the
6 Proceeds Thereof.

7 (a) (1) A state gross receipts tax on bingo games
8 using bingo technologic aid at each Point of Destination is
9 hereby levied in an amount equal to twenty percent of the
10 bingo gross revenue derived by the operator therefrom. A local
11 gross receipts tax on bingo games using bingo technologic aid
12 at each Point of Destination is also hereby levied in an
13 amount equal to five percent of the gross revenue derived by
14 the operator therefrom.

15 (2) A state gross receipts tax of fifty percent on
16 all gross revenue on all unauthorized gaming establishments is
17 also hereby levied in addition to any other civil or criminal
18 liabilities. For purposes of the preceding sentence only,
19 gross revenue shall include the gross revenue of such
20 unauthorized gaming establishment before deduction of any
21 disbursement of winnings to patrons of such unauthorized
22 gaming establishment.

23 (3) The state gross receipts tax and the local gross
24 receipts tax for each calendar month shall be paid to the
25 Alabama Department of Revenue by the operator of each such
26 licensed or any unauthorized gaming establishment on or before
27 the twentieth day of the next succeeding calendar month.

1 (4) All Points of Destination shall receive a tax
2 credit for capital improvements, as defined by Section 263 of
3 the Internal Revenue Code, 26 U.S.C. § 263, made at a Point of
4 Destination, as long as those improvements were made during
5 the 12 months prior to the effective date of this amendment or
6 after the effective date of this amendment, and excluding the
7 amount of capital improvements for the portion of the physical
8 plant where bingo is conducted. This subsection shall only
9 apply to a Point of Destination that substantiates to the
10 commission that the total actual cost of the Point of
11 Destination will exceed one hundred million dollars
12 (\$100,000,000). The allowable development credit under this
13 subsection shall be equal to five percent of such actual total
14 cost for the Point of Destination and shall be a credit
15 against only the state gross receipts tax. This subsection
16 shall automatically be repealed five years after the effective
17 date of this amendment. The total development tax credit under
18 this subsection shall be recaptured and repaid by the licensee
19 to the Alabama Department of Revenue at the end of said
20 five-year time period should the licensee fail to expend the
21 total one hundred million dollars (\$100,000,000) at such Point
22 of Destination.

23 (b) A state bingo vendor tax on bingo vendors
24 conducting business in the state is hereby levied in an amount
25 equal to 10 percent of the gross revenues collected by the
26 bingo vendors from leases or other revenue sharing
27 arrangements of bingo technologic aid with bingo operators at

1 Points of Destination. Should a bingo vendor fail to sell any
2 bingo technologic aid to a bingo operator at a Point of
3 Destination at commercially reasonable prices at any given
4 time and the bingo operator submits such failure for
5 consideration to the commission, should the commission
6 determine such failure to sell by the bingo vendor to be
7 unreasonable based upon the particular facts and
8 circumstances, the commission shall thereafter require such
9 bingo vendor pay a 20 percent tax on gross revenues collected
10 from leases or other revenue sharing arrangements with such
11 bingo operator. A bingo vendor shall pay the state bingo
12 vendor tax for each calendar month to the Alabama Department
13 of Revenue on or before the twentieth day of the next
14 succeeding calendar month. The state bingo vendor tax shall
15 further be subject to the applicable provisions of paragraph
16 (c) of this section. The portion of the proceeds from the
17 state bingo vendor tax derived through a bingo vendor doing
18 business at a Point of Destination in a given county shall be
19 dedicated and paid to the local city and county school systems
20 in such county, to be allocated among the school systems based
21 on student population in each system for the applicable fiscal
22 year. The state bingo vendor tax shall be in lieu of any state
23 or local rental or lease tax otherwise levied with respect to
24 the leasing or revenue sharing arrangements of bingo
25 technologic aid.

26 (c) Until the commission is fully established as
27 provided herein, the Alabama Department of Revenue shall

1 exercise powers and duties of the commission with the
2 exception of issuing any new licenses in Congressional
3 District 4, Congressional District 5, and Congressional
4 District 6, which it is expressly prohibited from doing. The
5 Alabama Department of Revenue shall have the same power to
6 make rules respecting the reporting, collection, and
7 enforcement of the state gross receipts tax and the local
8 gross receipts tax as it has with respect to the pari-mutuel
9 pool tax levied by Title 40, Chapter 26A, Code of Alabama
10 1975, with necessary and appropriate changes to reflect the
11 different nature of the state gross receipts tax and the local
12 gross receipts tax on bingo. The levy, collection, and
13 enforcement of the state gross receipts tax and the local
14 gross receipts tax shall be administered by the Alabama
15 Department of Revenue in accordance with the Taxpayers Bill of
16 Rights and Uniform Revenue Procedures Act, as codified in
17 Chapter 2A of Title 40 of the Code of Alabama 1975, or
18 amendatory or successor law.

19 (d) For administrative purposes, the Alabama
20 Department of Revenue shall establish separate accounts in the
21 State Treasury for the bingo licensee for each Point of
22 Destination, and the total amount of state gross receipts tax
23 and local gross receipts tax collected from each such Point of
24 Destination licensee shall be credited as received to the
25 related account. For the fiscal year of the state in which
26 this amendment shall become effective, and for each fiscal
27 year thereafter while the levy and collection of the state

1 gross receipts tax and local gross receipts tax shall remain
2 in effect, there shall be appropriated by the Legislature, as
3 a first charge against the state gross receipts tax and local
4 gross receipts tax, such amount of the actual expenses of the
5 Alabama Department of Revenue as shall be necessary to
6 administer the levy, collection, and enforcement of the state
7 gross receipts tax and local gross receipts tax. Amounts equal
8 in aggregate to the annual appropriation for the
9 administration of the state gross receipts tax shall be
10 charged to and withdrawn from the separate accounts in
11 proportion to the gross collections of state gross receipts
12 tax and local gross receipts tax respectively credited each
13 account; however, no such collection amount shall exceed one
14 percent of all state gross receipts tax proceeds.

15 (e) All proceeds of the state gross receipts tax not
16 required to satisfy the prior appropriation pursuant to
17 subsection (d) of this section are hereby dedicated and
18 appropriated to the Education Trust Fund for the benefit of
19 public schools in the state and to the State General Fund for
20 the benefit of the state Medicaid program and senior programs
21 administered by the Alabama Department of Senior Services and
22 the Alabama Area Agencies on Aging and the Intellectual
23 Disability/Mental Retardation Waiting List administered by the
24 Department of Mental Health. The Education Trust Fund shall
25 receive 65 percent of state gross receipts tax proceeds and
26 the General Fund shall receive 35 percent of state gross
27 receipts tax proceeds for the benefit of the state Medicaid

1 program and senior programs administered by the Alabama
2 Department of Senior Services and the Alabama Area Agencies on
3 Aging and the Intellectual Disability/Mental Retardation
4 Waiting List administered by the Department of Mental Health.

5 (f) All proceeds of the local gross receipts tax are
6 hereby dedicated and apportioned among and paid to the
7 counties which no local bingo constitutional amendments exist
8 on the basis of the ratio of the population of each such
9 county to the total population of all such counties in which
10 no local bingo constitutional amendments exist, provided,
11 however, Covington County and Madison County shall participate
12 in the preceding allocation of the proceeds of the local gross
13 receipts tax even though Covington County and Madison County
14 have local bingo constitutional amendments.

15 Section 8. State Gaming Commission, creation,
16 powers.

17 (a) There is hereby created a State Gaming
18 Commission which shall oversee, regulate, provide for consumer
19 protection and safety of gaming patrons, enforce gaming laws
20 of the state, and provide for licensing of all gaming
21 operations in the state, including licensees conducting bingo
22 at Points of Destination, and including nonprofit
23 organizations that conduct bingo pursuant to local bingo
24 amendment.

25 (b) The commission shall consist of five members of
26 which one member shall be appointed by the Governor with the
27 advice and consent of the Senate, one member shall be

1 appointed by the Attorney General with the advice and consent
2 of the Senate, one member shall be appointed by the Lieutenant
3 Governor with the advice and consent of the Senate, one member
4 shall be appointed by the Speaker of the House of
5 Representatives with the advice and consent of the Senate, and
6 one member shall be appointed by the Chief Justice of the
7 state Supreme Court with the advice and consent of the Senate.
8 These members, where possible, shall represent the gender and
9 racial diversity of the state, provided that no more than two
10 members can reside in the same Congressional District. The
11 initial members appointed may not serve until they are
12 confirmed by the Alabama State Senate.

13 (1) Members of the commission shall be residents of
14 the State of Alabama, United States citizens, shall be
15 prominent persons in their businesses or professions, shall
16 not have been convicted of a felony, not be the executive
17 director of or another employee of the commission, nor be an
18 officer of or occupy an official position in any political
19 party, not be actively engaged in or have a direct pecuniary
20 interest in a Point of Destination or a bingo operator, and
21 not have any direct or indirect interest in an undertaking
22 that puts his or her personal interest in conflict with that
23 of the commission. A member of the commission shall not have
24 been employed by the gaming industry for a period of five
25 years prior to his or her appointment or following his or her
26 service. No person actively engaged or having a direct
27 pecuniary interest in gaming activities shall be a member of

1 the commission. No elected official shall be a member of the
2 commission.

3 (2) Except for the initial term of office, members
4 shall serve for terms of five years, but no more than 12
5 years. Any vacancy occurring on the commission shall be filled
6 for the unexpired term by the appointing authority as
7 described in this section. The initial term of office upon the
8 effective date of this amendment shall be one year for two
9 members, two years for two members, and three years for one
10 member. The initial term of a member shall be determined by
11 lot. The respective appointing authorities shall meet at the
12 call of the Governor at a meeting to be held after March 31,
13 2011, to draw lots. No member may serve for more than two
14 terms whether consecutive or not, nor for more than 12 years.

15 (3) Members of the commission and its employees
16 shall be subject to the Ethics Law, Section 36-25-1, et seq.,
17 Code of Alabama 1975, and the commission shall be subject to
18 the Administrative Procedure Act, with the exception of the
19 appeal provision in Section 9.

20 (4) Each member of the commission shall serve for
21 the duration of his or her term and until his or her successor
22 shall be duly appointed and confirmed by the Alabama State
23 Senate; provided, however, that in the event that a successor
24 is not duly appointed and confirmed within 120 days after the
25 expiration of the member's term, a vacancy shall be deemed to
26 exist.

1 (5) A commission member may be removed from office
2 for misconduct in office, willful neglect of duty, or other
3 conduct evidencing unfitness for his or her office, or for
4 incompetence. A proceeding for removal may be instituted by
5 the Attorney General in the Circuit Court of Montgomery
6 County, Alabama. Notwithstanding any provision of this
7 amendment or any other statute, any commissioner or employee
8 of the commission shall automatically forfeit his or her
9 office or position upon conviction of a felony.

10 (6) Each member of the commission staff may be paid
11 an annual salary that shall not exceed that established by the
12 State Personnel Board.

13 (c) The officers of the commission shall include a
14 chair and a vice chair who shall be members of the commission,
15 and an Executive Director who shall not be a member of the
16 commission.

17 (1) The chair shall be elected annually at the
18 organizational meeting of the commission by a majority of the
19 full commission. The chair, as chief executive officer of the
20 commission, shall schedule and preside at all meetings of the
21 commission; shall appoint the members of the commission to
22 such committees as the commission may, from time to time,
23 establish; shall have the authority to accept for filing all
24 applications; shall have the authority to incur on behalf of
25 the commission such expenses as the commission shall have
26 approved in its operating budget; shall have general
27 supervision, direction, and control of the affairs of the

1 commission; and shall perform such other duties as are
2 incidental to the office and as may be assigned, from time to
3 time, by the commission.

4 (2) The vice chair shall be elected annually at the
5 organizational meeting of the commission by a majority of the
6 full commission. The vice chair shall be a member of the
7 commission other than the chair. He or she shall possess such
8 powers and shall perform such duties as may be assigned, from
9 time to time, by the commission. In the absence or inability
10 of the chair to serve or in the event of a vacancy in the
11 office of chair, the vice chair shall be empowered to carry
12 out all of the responsibilities of the chair.

13 (3) The Executive Director shall be appointed by the
14 commission and shall serve at the pleasure of the commission.
15 The Executive Director is entitled to an annual salary in the
16 amount specified by the commission, subject to the approval of
17 the State Personnel Board, within the limits of legislative
18 appropriations or authorizations. The Executive Director shall
19 have significant prior experience in the field of gaming, and
20 shall be a prominent and respected person in his or her
21 profession. The Executive Director shall not have been
22 convicted of a felony. The Executive Director may, in his or
23 her discretion, also appoint a General Counsel and such other
24 qualified staff to serve the Executive Director. The Executive
25 Director may employ the services of such persons as he or she
26 considers necessary for the purposes of consultation or
27 investigation and fix the salaries of or contract for the

1 services of such legal, professional, technical, and
2 operational personnel and consultants, subject to applicable
3 provisions of the State Personnel Board. Under the supervision
4 of the chair, the Executive Director shall be responsible for
5 the conduct of the administrative affairs of the commission
6 and shall have custody of the commission's seal and its
7 official records. The Executive Director shall keep a record
8 of the proceedings at all meetings of the commission in a
9 minute book and a resolution book or both, to be kept for the
10 purpose, which shall be open at all reasonable times to
11 inspection by any member of the commission. He or she shall
12 cause a verbatim transcript to be made of the public meetings
13 of the commission, according to law. He or she shall affix the
14 seal of the commission to all papers authorized to be executed
15 by the commission requiring such seal to be affixed. He or she
16 shall cause copies to be made of the verbatim transcript of
17 the public meetings, and of all minutes, resolutions, and
18 other records and shall cause such copies to be filed with the
19 appropriate authorities according to law. He or she shall give
20 certificates under the seal of the commission to the effect
21 that such copies are true copies and all persons dealing with
22 the commission may rely on such certificates. He or she shall
23 perform such other duties as are incident to his or her office
24 or as may be assigned, from time to time, by the commission or
25 by the chair.

26 (d) Regular and special meetings of the commission
27 may be held, at the discretion of the commission, at such

1 times and places as it may deem convenient, but at least one
2 regular meeting shall be held each month on or after the
3 fifteenth day of the month. All meetings shall be subject to
4 the provisions of the Open Meetings Law and the minutes shall
5 be published on the Internet.

6 (e) A majority of the members constitutes a quorum
7 of the commission.

8 (f) Any action or approval by the commission shall
9 require a majority vote of all members of the commission.

10 Section 9. Administration of provision for
11 protection of the public; commission and Executive Director
12 duties.

13 (a) The provisions of this amendment with respect to
14 state gaming licenses shall be administered by the Executive
15 Director for the protection of the public and in the public
16 interest in accordance with the policy of this state.

17 (b) The commission shall:

18 (1) Inspect and examine all premises wherein gaming
19 is conducted or gaming devices or equipment are manufactured,
20 sold, or distributed;

21 (2) Inspect all equipment and supplies in, upon, or
22 about such premises, and require security and safety measures
23 to be taken at an operator's expense at any facility for the
24 health and well-being of patrons and employees;

25 (3) Ensure that all bingo is conducted at an
26 authorized location;

1 (4) Conduct or cause to be conducted background
2 investigations on all persons applying for a license and all
3 licensees requesting renewal of a license;

4 (5) Audit or cause to be audited the expenditures,
5 receipts and reports in connection with the conduct of bingo
6 at the Point of Destination, bingo operator, and any employee
7 of a Point of Destination or bingo operator as the commission
8 deems necessary when reasonable suspicion of theft or
9 corruption exists;

10 (6) Require at its discretion any Point of
11 Destination or bingo operator to allow a person of the
12 commission's choosing in any portion of the physical plant
13 where bingo is conducted who shall have a full opportunity to
14 monitor operations at all times while bingo is being played;

15 (7) Certify that all bingo technologic aid
16 purchased, leased or otherwise acquired by any Point of
17 Destination or bingo operator meets the technical equipment
18 standards set forth by the commission in rules consistent with
19 this amendment;

20 (8) Seize and remove from such premises and impound
21 any equipment or supplies for the purpose of examination and
22 inspection following an emergency due process hearing;

23 (9) Demand reasonable access to and inspect,
24 examine, photocopy, and audit all papers, books, and records
25 of applicants and licensees, on their premises or elsewhere as
26 practicable, in the presence of the licensee or his or her
27 agent, respecting the bingo gross revenues produced by any

1 gaming business, and may require verification of receipts, and
2 respecting all other matters affecting the enforcement of the
3 policy or any of the provisions of this amendment;

4 (10) Maintain the following records and information
5 at the principal office for the commission: Applications,
6 fingerprints, contracts, licenses, suspension and revocation
7 notices; all correspondence related to all Points of
8 Destination, bingo operators, bingo vendors, licensees and
9 applicants for licenses; meeting minutes and resolutions from
10 all commission meetings; all rules promulgated, amended, and
11 repealed by the commission; a list of certified bingo
12 technologic aid located at any Point of Destination whether or
13 not such bingo technologic aid are in operation; and any other
14 records or documents the commission deems necessary to verify
15 bingo gross revenue; and

16 (11) Promulgate, amend or repeal such rules, subject
17 to the Administrative Procedure Act, as it may deem necessary
18 in carrying out the policy and provisions of this amendment.
19 These rules shall, without limiting the general powers herein
20 conferred, include the following:

21 a. Prescribing the form of the application and the
22 information to be furnished by any applicant or licensee,
23 including information concerning his or her background,
24 character, associates, criminal record, and fiscal
25 responsibility, past or present.

1 b. Prescribing which key employees and employees of
2 bingo vendors must be licensed and the information to be
3 furnished.

4 c. Prescribing the procedure for issuing licenses.

5 d. Prescribing which applicants and licensees must
6 be fingerprinted and requiring the forwarding of all
7 fingerprints taken pursuant to regulation to the Federal
8 Bureau of Investigation.

9 e. Prescribing the manner and procedure of all
10 hearings conducted by the commission in accordance with the
11 Administrative Procedure Act.

12 f. Requiring any applicant to pay all or any part of
13 the reasonable fees and costs of investigation of such
14 applicant as may be determined by the commission, except that
15 no applicant for an initial license shall be required to pay
16 any part of the fees or costs of the investigation of the
17 applicant with regard to the initial license.

18 g. Prescribing a uniform method of accountability to
19 assure effective disclosure of bingo gross revenue.

20 h. Restricting access to confidential information
21 obtained under this amendment and ensuring that the
22 confidentiality of such information is maintained and
23 protected.

24 i. Establishing a schedule of penalties and fines
25 and procedures for the issuance of any penalties and fines.

26 (c) For the purpose of conducting audits after the
27 cessation of gaming by a licensee, the former licensee shall

1 furnish, upon demand of the Executive Director or his or her
2 employee, books, papers, and records as necessary to conduct
3 the audits. The former licensee shall maintain all books,
4 papers, and records necessary for audits for a period of three
5 years after the date of the surrender or revocation of his or
6 her bingo license. If the former licensee seeks judicial
7 review of a deficiency determination or files a petition for a
8 redetermination, he or she must maintain all books, papers,
9 and records until a final order is entered on the
10 determination.

11 (d) The Executive Director and enforcement employees
12 may investigate, for the purpose of prosecution, any suspected
13 criminal violation of the provisions of this amendment. For
14 the purpose of the administration and enforcement of this
15 amendment, the Executive Director and enforcement employees
16 have the powers of a peace officer of this state.

17 (e) The commission or Executive Director has full
18 power and authority to issue subpoenas and compel the
19 attendance of witnesses at any place within this state, to
20 administer oaths, and to require testimony under oath. Any
21 process or notice may be served in the manner provided for
22 service of process and notices in civil actions. The
23 commission or the Executive Director may pay such
24 transportation and other expenses of witnesses as the
25 commission or Executive Director deem reasonable and proper.
26 Any person making false oath in any matter before the
27 commission is guilty of perjury. The commission may appoint

1 hearing examiners who may administer oaths and receive
2 evidence and testimony under oath.

3 (f) The Executive Director and his or her employees
4 shall investigate the qualifications of each applicant under
5 this amendment before any license is issued or before any
6 registration, finding of suitability, or approval of acts or
7 transactions for which commission approval is required is
8 granted, and the Executive Director shall continue to observe
9 the conduct of all licensees and other persons having a
10 material involvement directly or indirectly with a licensed
11 bingo operation or registered holding company to ensure that
12 licenses are not issued or held by, nor is there any material
13 involvement directly or indirectly with a licensed bingo
14 operation or registered holding company by, unqualified,
15 disqualified, or unsuitable persons or persons whose
16 operations are conducted in an unsuitable manner or in
17 unsuitable or prohibited places or locations.

18 (g) The Executive Director has the authority to
19 recommend to the commission the denial of any application, the
20 limitation, conditioning, or restriction of any license,
21 registration, finding of suitability, or approval or the
22 imposition of a fine upon any person licensed, registered, or
23 found suitable or approved for any cause deemed reasonable by
24 the Executive Director.

25 (h) Subject to the due process provisions as
26 hereinafter provided, the commission shall have authority for
27 any violation of this amendment, or any local amendment, or

1 any other laws of the state to deny any application or limit,
2 condition, restrict, revoke, or suspend any license,
3 registration, finding of suitability, or approval, or fine any
4 person licensed, registered, found suitable, or approved, for
5 any cause deemed reasonable by the commission; provided,
6 however, the commission shall have no authority to set the
7 business hours of operation or limit bingo sessions of a
8 licensed operator or limit the monetary amount of bingo
9 prizes, or the number or type of bingo technologic aid and
10 equipment used by the operator so long as such bingo
11 technologic aid and equipment comply with this amendment.

12 (i) The commission shall serve as a hearing panel
13 and settle disputes between operators or between operators and
14 patrons.

15 (j) Any person or licensee aggrieved by the refusal
16 of the commission to issue any license, or the suspension or
17 revocation of a license, the imposition of a fine or penalty,
18 the disapproval of a contract, or any other action or failure
19 of action by the commission, may, within 60 days of such
20 action or failure of action, appeal to the circuit court of
21 the county where the bingo operation is located. If such court
22 finds that the action of such commission, or its failure to
23 take action, was arbitrary, unreasonable, or contrary to the
24 provisions of this amendment, the court shall order the
25 issuance or reinstatement of such license, the abatement of
26 such fine or penalty, the approval of such contract, or such
27 other remedial action as the court deems appropriate in the

1 circumstances. The decision of such court shall be subject to
2 appeal as in other cases at law.

3 (k) The commission shall coordinate with local
4 communities in developing educational programs and other
5 social programs to enhance social and public awareness of
6 gambling-related issues.

7 (l) The commission shall have the authority to
8 define who is a key employee for bingo operators.

9 Section 10. Persons excluded from bingo facilities.

10 (a) The exclusion or ejection of certain persons
11 from licensed bingo establishments is necessary to effectuate
12 the policies of this amendment and to maintain effectively the
13 strict regulation of licensed bingo.

14 (b) The commission may by rule provide for the
15 establishment of a list of persons who are to be excluded or
16 ejected from any licensed bingo establishment. The list may
17 include any person whose presence in the establishment is
18 determined by the commission or the Executive Director to pose
19 a threat to the interests of this state or to licensed bingo,
20 or both. Any licensed bingo establishment may eject persons
21 from such establishment for reasons deemed appropriate except
22 for those found under subsection (d).

23 (c) In making that determination, the commission and
24 the Executive Director may consider any:

25 (1) Prior conviction of a crime which is a felony in
26 this state or under the laws of the United States, a crime

1 involving moral turpitude, or a violation of the gaming laws
2 of any state;

3 (2) Violation or conspiracy to violate the
4 provisions of this amendment relating to:

5 a. The failure to disclose an interest in a bingo
6 establishment for which the person must obtain a license; or

7 b. Willful evasion of fees or taxes.

8 (3) Notorious or unsavory reputation which would
9 adversely affect public confidence and trust that the bingo
10 industry is free from criminal or corruptive elements; or

11 (4) Written order of a governmental agency which
12 authorizes the exclusion or ejection of the person from an
13 establishment at which gaming is conducted.

14 (d) Race, color, creed, sex, national origin,
15 disability, or ancestry shall not be grounds for denying any
16 person the right of entry.

17 Section 11. Penalties; failure by bingo
18 establishments to exclude or eject.

19 (a) The commission may revoke, limit, condition,
20 suspend, or fine an individual licensee or licensed bingo
21 location in accordance with the laws of this state and the
22 rules of the commission if that establishment or any
23 individual licensee affiliated therewith knowingly fails to
24 exclude or eject from the premises of the licensed
25 establishment any person placed on the list of persons to be
26 excluded or ejected.

1 (b) Any person who has been placed on the list of
2 persons to be excluded or ejected from any licensed
3 establishment is guilty of a misdemeanor if he or she
4 thereafter enters the premises of a licensed establishment
5 without first having obtained a determination by the
6 commission that he or she should not have been placed on the
7 list of persons to be excluded or ejected.

8 Section 12. Effective control over internal fiscal
9 affairs.

10 (a) The commission shall prescribe minimum
11 procedures for adoption by each licensee to exercise effective
12 control over the internal fiscal affairs of the licensee,
13 which shall include, but are not limited to provisions for:

14 (1) The safeguarding of assets and revenues,
15 especially the recording of cash and evidences of
16 indebtedness; and

17 (2) The provision of reliable records, accounts and
18 reports of transactions, operations and events, including
19 reports to the commission and the Executive Director to verify
20 bingo gross revenue.

21 (b) The commission shall by rule require periodic
22 reports from each licensee concerning the bingo gross revenue
23 of such licensee.

24 (c) The commission shall by rule require audits of
25 the bingo gross revenue of all bingo licensees at a Point of
26 Destination.

1 (1) The audits, compilations, and reviews provided
2 for in subsections (a), (b), and (c) must be made by
3 independent accountants holding permits to practice public
4 accounting in the State of Alabama.

5 (2) For every audit required pursuant to this
6 section:

7 a. The independent accountants shall submit an audit
8 report which must express an unqualified or qualified opinion
9 or, if appropriate, disclaim an opinion on the statements
10 taken as a whole in accordance with standards for the
11 accounting profession established by rules and regulations of
12 the Alabama State Board of Public Accountancy, but the
13 preparation of statement without audit does not constitute
14 compliance.

15 b. The examination and audit must disclose whether
16 the accounts, records, and control procedures maintained by
17 the licensee are as required by the rules promulgated by the
18 commission.

19 (3) If the license of a licensee at a Point of
20 Destination is terminated within three months after the end of
21 a period covered by an audit, the licensee may submit compiled
22 statements for bingo gross revenue in lieu of an additional
23 audited statement of the bingo gross revenue for the
24 licensee's final period of business.

25 (4) The licensee shall be responsible for the
26 payment of costs or fees generated by any audit required by

1 the commission. Failure to pay such costs and fees for such
2 audit may result in the revocation of his or her license.

3 Section 13. Operating license for facility;
4 applicant eligibility.

5 (a) No nonprofit organization or for-profit bingo
6 establishment shall operate unless all necessary licenses and
7 approvals therefor have been obtained in accordance with this
8 amendment.

9 (b) The proposed operator of a Point of Destination
10 may not be licensed if the proposed operator or an owner of
11 more than five percent of the proposed operator has ever been
12 convicted of a felony or convicted of any gambling offense or
13 offense involving moral turpitude.

14 Section 14. Issuance of licenses.

15 (a) Any license issued or other commission approval
16 granted pursuant to the provisions of this amendment is a
17 revocable privilege, and no holder acquires any vested right
18 therein or thereunder.

19 (b) Any license issued pursuant to the provisions of
20 this amendment shall not be assigned or transferred to another
21 person without the prior written consent of the commission.

22 (c) The following persons shall have a license
23 issued by the commission:

24 (1) All operators;

25 (2) All employees and key employees of the bingo
26 operator; and

27 (3) All bingo vendors.

1 (d) The commission may designate that other persons
2 must have a license in order to effectively regulate bingo
3 operations within the state.

4 (e) The commission shall issue a license to an
5 eligible applicant:

6 (1) If that applicant is operating at or employed by
7 an authorized location;

8 (2) If, after an investigation of the qualifications
9 of the applicant, the commission finds that the applicant is
10 not otherwise disqualified under any provision of this
11 amendment; and

12 (3) If that applicant accepts a continuing duty to
13 promptly notify the commission in writing of any change in
14 information provided on the application.

15 (f) If satisfied that an applicant is eligible to
16 receive a license to conduct bingo at a Point of Destination,
17 and the commission has approved such applicant to be awarded a
18 license to conduct bingo at such Point of Destination, upon
19 tender to the Department of Revenue by such approved applicant
20 of:

21 (1) All license fees and taxes as required by law
22 and rule of the State Gaming Commission; and

23 (2) A bond in the amount of the gross receipts tax
24 anticipated in the first month of operation executed by the
25 applicant as principal, and by a corporation qualified under
26 the laws of this state as surety, payable to the State of
27 Alabama and conditioned upon the payment of license fees,

1 taxes, penalties, interest, fines, and the faithful
2 performance of all requirements imposed by law or rule or the
3 conditions of the license; the commission shall issue to the
4 approved applicant a license for a period of 20 years, which
5 shall be renewed for consecutive five-year periods unless the
6 commission shows cause that a violation of the provisions of
7 this amendment has occurred, and deliver to the applicant a
8 license entitling the applicant to engage in the bingo
9 operation for which the approved applicant is licensed.

10 (g) The Executive Director shall prepare and
11 maintain a written record of the specific terms and conditions
12 of any license issued and delivered and of any modification to
13 the license. A duplicate of the record must be delivered to
14 the applicant or licensee.

15 Section 15. Payment of fees to make application for
16 or continue license.

17 (a) Subject to the power of the commission to deny,
18 revoke, suspend, condition, or limit licenses, any bingo
19 license in force using bingo technologic aid may be received
20 or continued by the commission upon proper payment of state
21 license fees and any other fees, taxes, and penalties as
22 required by this amendment, including an annual license fee of
23 not less than two hundred thousand dollars (\$200,000).

24 (b) Except for those Points of Destination initially
25 licensed following the ratification of this amendment, a
26 non-refundable application fee of not less than two hundred
27 fifty thousand dollars (\$250,000) shall be remitted by any new

1 applicant and a renewal fee of two hundred fifty thousand
2 dollars (\$250,000) shall be due from a licensee at any Point
3 of Destination within 30 days following any license renewal.
4 These license and application fees shall be appropriated
5 annually for the operations and maintenance of the commission.
6 At the end of each fiscal year any excess fees shall revert to
7 the General Fund.

8 (c) All state license fees and fees required by law
9 must be paid to the Department of Revenue on or before the
10 dates respectively provided by law or rule for each fee.

11 (d) Any person failing to pay the state gross
12 receipts tax and local gross receipts tax on bingo gross
13 revenue or the license or application fees due at the times
14 respectively provided shall pay in addition to such license
15 fee or fees, a penalty of not less than 25 percent of the
16 amount due, unless failure to timely pay is due to reasonable
17 cause as determined by the commission. The penalty must be
18 collected as are other charges, license fees, and penalties
19 under this amendment.

20 (e) If any licensee fails to pay his or her license
21 fee as provided in this section, the commission may order the
22 immediate closure of all the bingo activity until all
23 necessary fees, interest, and penalties have been paid.

24 (f) Counties in which bingo activities using bingo
25 technologic aid are authorized by this amendment are
26 authorized to impose on the operator of a Point of Destination
27 a bingo equipment license fee which shall not exceed one

1 million five hundred thousand dollars (\$1,500,000) per year;
2 provided, however, the annual bingo equipment license fee for
3 the operator of a Point of Destination that has not fulfilled
4 the one hundred million dollars (\$100,000,000) Point of
5 Destination requirement for development tax credit purposes
6 shall not exceed seven hundred fifty thousand dollars
7 (\$750,000), and provided further that the annual bingo
8 equipment license fee for a Point of Destination in a
9 Congressional District where more than two Points of
10 Destination are located shall not exceed five hundred thousand
11 dollars (\$500,000) per Point of Destination.

12 The revenues from the bingo equipment license fee
13 for a given county shall be held in escrow and, pending the
14 disbursement thereof, shall be invested in obligations in
15 which municipalities of the state are authorized to invest
16 their surplus funds, until a local act, or general act of
17 local application, pertaining to the county where the Point of
18 Destination is located shall be enacted by the Legislature to
19 provide for the disbursement of such proceeds. The state gross
20 receipts tax and the local gross receipts tax, the state
21 license fees, and the local bingo equipment license fees
22 required to be paid pursuant to this amendment shall be in
23 lieu of all other state or local taxes or license fees levied
24 with respect to the conduct of bingo and the operator;
25 provided, however, that all operators of bingo games shall
26 continue to be liable for all income taxes, franchise taxes,
27 property taxes, lodging taxes, and sales and use taxes on

1 merchandise, food, and beverage generally applicable to all
2 businesses at uniform rates; provided, however, any lodging
3 taxes imposed by any county shall not exceed the average
4 lodging tax rate for all counties in the applicable
5 Congressional District and any lodging taxes imposed by any
6 municipality shall not exceed the average lodging tax rate for
7 all municipalities in the applicable Congressional District.

8 (g) There is hereby levied an annual license fee not
9 to exceed the following amounts:

10 (1) Two hundred dollars (\$200) for a key employee of
11 a bingo operator;

12 (2) Twenty-five dollars (\$25) for an employee of a
13 bingo operator; and

14 (3) Ten thousand dollars (\$10,000) for a bingo
15 vendor.

16 The Legislature is hereby authorized to modify these
17 limits every three years, beginning three years from the
18 effective date of this amendment.

19 Section 16. Amendment to Be Self-Executing.

20 This amendment shall be self-executing, but the
21 Legislature shall have the right and power to enact general or
22 local laws supplemental to this amendment to further its
23 purposes or provide for its implementation; provided, however,
24 that such laws shall not be inconsistent with the express
25 provisions of this amendment.

1 Section 17. Effective Date. This amendment shall
2 take effect as part of the Constitution of Alabama of 1901,
3 upon its adoption by the electors of the state.

4 Section 2. An election upon the proposed amendment
5 shall be held in accordance with Sections 284 and 285 of the
6 Constitution of Alabama of 1901, now appearing as Sections 284
7 and 285 of the Official Recompilation of the Constitution of
8 Alabama of 1901, as amended, and the election laws of this
9 state.

10 Section 3. The appropriate election official shall
11 assign a ballot number for the proposed constitutional
12 amendment on the election ballot and shall set forth the
13 following description of the substance or subject matter of
14 the proposed constitutional amendment:

15 "Proposing an amendment to the Constitution of
16 Alabama of 1901, (i) to authorize bingo destination points in
17 each of the seven Congressional Districts and provide further
18 for maritime gaming on cruise ships, (ii) to establish the
19 conditions under which bingo may also be played in limited
20 areas in the state, (iii) to levy a state gross receipts tax
21 and local gross receipts tax on the revenue generated by these
22 bingo games, (iv) to create a State Gaming Commission for the
23 regulation of bingo operations throughout the state and to
24 enforce the gaming laws of the state, and (v) to distribute
25 the proceeds of the taxes to the Education Trust Fund, the
26 General Fund for the benefit of the state Medicaid program and
27 senior programs administered by the Alabama Department of

1 Senior Services and the Alabama Area Agencies on Aging and the
2 Intellectual Disability/Mental Retardation Waiting List
3 administered by the Department of Mental Health, and to those
4 counties which do not have local bingo constitutional
5 amendments.

6 "Proposed by Act _____."

7 This description shall be followed by the following
8 language:

9 "Yes () No ()."