

1 HB336  
2 205425-1  
3 By Representatives Rogers and Moore (M)  
4 RFD: Economic Development and Tourism  
5 First Read: 27-FEB-20

SYNOPSIS: This bill would permit wagering on the results of certain professional or collegiate sports or athletic events and other events authorized as sports wagering activities.

This bill would create the Alabama Sports Wagering Commission, provide for its composition, powers, and duties.

This bill would provide rule-making authority to the Alabama Sports Wagering Commission.

This bill would allow the Alabama Sports Wagering Commission to issue licenses relating to sports wagering.

This bill would provide for four types of licenses to be issued related to sports betting.

This bill would establish license requirements and prohibitions.

This bill would authorize licensing fees.

This bill would define the duties of an operator conducting sports wagering.

1                   This bill would require the posting of  
2 betting limits.

3                   This bill would authorize sports wagering  
4 agreements with other governments.

5                   This bill would create the Alabama Sports  
6 Wagering Fund.

7                   This bill would authorize the collection of  
8 license fees.

9                   This bill would authorize the Alabama Sports  
10 Wagering Commission to levy and collect a tax in  
11 the amount of 10 percent of adjusted gross sports  
12 wagering receipts.

13                   This bill would provide for the distribution  
14 of moneys deposited in the Alabama Sports Wagering  
15 Fund.

16                   This bill would authorize certain agreements  
17 between the Alabama Sports Wagering Commission and  
18 law enforcement.

19                   This bill would impose civil penalties for  
20 certain violations.

21                   This would establish crimes related to  
22 unauthorized sports wagering and impose criminal  
23 penalties.

24                   This bill would provide an exemption from  
25 Alabama's criminal gambling statutes for wagering  
26 on professional, collegiate, and amateur sports  
27 contests and athletic events.

1           This bill would provide for the forfeiture  
2 of property for certain violations.

3           Amendment 621 of the Constitution of Alabama  
4 of 1901, now appearing as Section 111.05 of the  
5 Official Recompilation of the Constitution of  
6 Alabama of 1901, as amended, prohibits a general  
7 law whose purpose or effect would be to require a  
8 new or increased expenditure of local funds from  
9 becoming effective with regard to a local  
10 governmental entity without enactment by a 2/3 vote  
11 unless: it comes within one of a number of  
12 specified exceptions; it is approved by the  
13 affected entity; or the Legislature appropriates  
14 funds, or provides a local source of revenue, to  
15 the entity for the purpose.

16           The purpose or effect of this bill would be  
17 to require a new or increased expenditure of local  
18 funds within the meaning of the amendment. However,  
19 the bill does not require approval of a local  
20 governmental entity or enactment by a 2/3 vote to  
21 become effective because it comes within one of the  
22 specified exceptions contained in the amendment.

23  
24                   A BILL  
25                   TO BE ENTITLED  
26                   AN ACT  
27

1           Relating to sports wagering; to permit wagering on  
2     the results of certain professional or collegiate sports or  
3     athletic events and other events authorized as sports wagering  
4     activities; to create the Alabama Sports Wagering Commission;  
5     to provide rule-making authority to the Alabama Sports  
6     Wagering Commission; to allow the Alabama Sports Wagering  
7     Commission to issue licenses relating to sports wagering; to  
8     provide for four types of licenses to be issued related to  
9     sports betting; to establish license requirements and  
10    prohibitions; to authorize licensing fees; to define the  
11    duties of an operator conducting sports wagering; to require  
12    the posting of betting limits; to authorize sports wagering  
13    agreements with other governments; to create the Alabama  
14    Sports Wagering Fund; to authorize the collection of license  
15    fees; to authorize the Alabama Sports Wagering Commission to  
16    collect an administrative allowance from gross sports wagering  
17    receipts; to authorize the Alabama Sports Wagering Commission  
18    to levy and collect a tax in the amount of 10 percent of  
19    adjusted gross sports wagering receipts; to provide for the  
20    distribution of moneys deposited in the Alabama Sports  
21    Wagering Fund; to authorize certain agreements between the  
22    Alabama Sports Wagering Commission and law enforcement; to  
23    impose civil penalties for certain violations; to establish  
24    crimes related to unauthorized sports wagering and impose  
25    criminal penalties; to provide for the forfeiture of property  
26    for certain violations; to amend Section 13A-12-31, Code of  
27    Alabama 1975, to provide an exemption from Alabama's criminal

1 gambling statutes for wagering on professional, collegiate,  
2 and amateur sports contests and athletic events; and in  
3 connection therewith would have as its purpose or effect the  
4 requirement of a new or increased expenditure of local funds  
5 within the meaning of Amendment 621 of the Constitution of  
6 Alabama of 1901, now appearing as Section 111.05 of the  
7 Official Recompilation of the Constitution of Alabama of 1901,  
8 as amended.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. This act shall be known and may be cited  
11 as the Alabama Sports Wagering Act.

12 Section 2. As used in this act, the following words  
13 have the following meanings:

14 (1) ADJUSTED GROSS RECEIPTS. The gross receipts of a  
15 licensee to act as an agent of the Alabama Sports Wagering  
16 Commission in operating Alabama sports wagering at a licensed  
17 gaming facility, less winnings paid to wagerers in the games.

18 (2) COLLEGIATE SPORT OR ATHLETIC EVENT. A sport or  
19 athletic event offered or sponsored by, or played in  
20 connection with, a public or private institution that offers  
21 educational services beyond the secondary level.

22 (3) COMMISSION. The Alabama Sports Wagering  
23 Commission.

24 (4) GAMING EQUIPMENT or SPORTS WAGERING EQUIPMENT. A  
25 mechanical, electronic, or other device, mechanism, or  
26 equipment, and related supplies used or consumed in the  
27 operation of Alabama sports wagering at a licensed gaming

1 facility, including but not limited to, a kiosk installed to  
2 accept sports wagers.

3 (5) GAMING FACILITY. A designated area on the  
4 premises of a facility licensed to accept sports wagering.

5 (6) GOVERNMENT. A governmental unit of a national,  
6 state, or local body exercising governmental functions, other  
7 than the United States government.

8 (7) GROSS SPORTS WAGERING RECEIPTS. The total gross  
9 receipts received by a licensed gaming facility from sports  
10 wagering.

11 (8) LICENSE. Any license applied for or issued by  
12 the commission under this act, including but not limited to:

13 a. OPERATOR LICENSE. A license to act as an agent of  
14 the commission in operating Alabama sports wagering at a  
15 licensed gaming facility.

16 b. SUPPLIER LICENSE. A license to supply a gaming  
17 facility, licensed under this act, to operate sports wagering  
18 with sports wagering equipment or services necessary for the  
19 operation of sports wagering.

20 c. OCCUPATIONAL LICENSE. A license to be employed at  
21 a racetrack or gaming facility, licensed under this act, to  
22 operate Alabama sports wagering when the employee works in a  
23 designated gaming area that has sports wagering or performs  
24 duties in furtherance of or associated with the operation of  
25 sports wagering at the licensed gaming facility.

1           d. MANAGEMENT SERVICES PROVIDER LICENSE. A license  
2 to provide management services under a contract to a gaming  
3 facility licensed under this act to operate sports wagering.

4           (9) LICENSED GAMING FACILITY. A designated area on  
5 the premises of the facility of an entity authorized to  
6 operate bingo or racetrack licensed under this act to conduct  
7 Alabama sports wagering.

8           (10) NATIONAL CRIMINAL HISTORY BACKGROUND CHECK  
9 SYSTEM. The criminal history record system maintained by the  
10 Federal Bureau of Investigation, based on fingerprint  
11 identification, or any other method of positive  
12 identification.

13           (11) OPERATOR. A licensed gaming facility which has  
14 elected to operate a sports pool and other authorized Alabama  
15 sports wagering activities.

16           (12) PROFESSIONAL SPORT OR ATHLETIC EVENT. An event  
17 at which two or more persons participate in sports or athletic  
18 events and receive compensation in excess of actual expenses  
19 for their participation in the event.

20           (13) SPORTS EVENT or SPORTING EVENT. Any  
21 professional sport or athletic event, any collegiate sport or  
22 athletic event, any motor race event, or any other special  
23 event authorized by the commission under this act.

24           (14) SPORTS POOL. The business of accepting wagers  
25 on any sports event by any system or method of wagering.

26           (15) SPORTS WAGERING. The business of accepting  
27 wagers on sporting events and other events, the individual



1 performance statistics of athletes in a sporting event or  
2 other events, or a combination of any of the same by any  
3 system or method of wagering approved by the commission  
4 including, but not limited to, mobile applications and other  
5 digital platforms that utilize communications technology to  
6 accept wagers originating within this state. The term  
7 includes, but is not limited to, exchange wagering, parlays,  
8 over-under, moneyline, pools, and straight bets. The term does  
9 not include:

10 a. Pari-mutuel betting on the outcome of horse or  
11 dog races.

12 b. Lottery games.

13 c. Racetrack video lottery.

14 d. Limited video lottery.

15 e. Racetrack table games.

16 f. Video lottery and table games.

17 g. Daily Fantasy Sports.

18 (16) SPORTS WAGERING ACCOUNT. A financial record  
19 established by a licensed gaming facility for an individual  
20 patron in which the patron may deposit and withdraw funds for  
21 wagering and other authorized purchases, and to which the  
22 licensed gaming facility may credit winnings or other amounts  
23 due to that patron or authorized by that patron.

24 (17) SPORTS WAGERING AGREEMENT. A written agreement  
25 between the commission and one or more other governments,  
26 whereby persons who are physically located in a signatory

1 jurisdiction may participate in sports wagering, conducted by  
2 one or more operators licensed by the signatory governments.

3 (18) SPORTS WAGERING FUND. The Alabama Sports  
4 Wagering Fund.

5 (19) SPORTS WAGERING LICENSE. Authorization granted  
6 under this act by the commission to a gaming facility to  
7 permit the gaming facility as an agent of the commission to  
8 operate sports wagering in one or more designated areas or in  
9 one or more buildings owned by the licensed gaming facility on  
10 the grounds where the facility is located, or through any  
11 other authorized platform developed by the gaming facility.  
12 This term is synonymous with "operator's license."

13 (20) SUPPLIER. A person who requires a supplier  
14 license to provide a sports wagering licensee with goods or  
15 services to be used in connection with the operation of  
16 Alabama sports wagering.

17 (21) TAX. The levy on the adjusted gross sports  
18 wagering receipts from the operation of sports wagering.

19 (22) WAGER. A sum of money or thing of value risked  
20 on an uncertain occurrence.

21 Section 3. (a) There is created the Alabama Sports  
22 Wagering Commission which shall regulate and supervise the  
23 operation and conduct of sports wagering in this state, and  
24 implement, regulate, administer, and supervise all laws and  
25 rules related to the operation and conduct of sports wagering.

26 (b) The commission shall consist of seven members of  
27 which two members shall be appointed by the Governor with the

1 advice and consent of the Senate, two members shall be  
2 appointed by the Attorney General with the advice and consent  
3 of the Senate, one member shall be appointed by the Lieutenant  
4 Governor with the advice and consent of the Senate, one member  
5 shall be appointed by the Speaker of the House of  
6 Representatives with the advice and consent of the Senate, and  
7 one member shall be appointed by the Chief Justice of the  
8 state Supreme Court with the advice and consent of the Senate.  
9 The appointment of the initial members of the commission shall  
10 be made within 60 days of the effective date of this act. The  
11 appointing authorities shall coordinate their appointments to  
12 assure the membership is inclusive and reflects the racial,  
13 gender, geographic, urban, rural, and economic diversity of  
14 the state, provided that no more than two members can reside  
15 in the same Congressional District.

16 (1) Each member of the commission shall be a  
17 resident of the State of Alabama, a United States citizen, a  
18 prominent person in his or her business or profession, not  
19 have been convicted of a felony, and not have been employed by  
20 the gaming industry for a period of five years prior to his or  
21 her appointment or following his or her service. An elected  
22 state or local official may not be a member of the commission.

23 (2) Except for the initial term of office, each  
24 member shall serve for terms of five years, but no more than  
25 12 years. Any vacancy occurring on the commission shall be  
26 filled for the unexpired term by the appointing authority as  
27 described in this section. The initial term of office upon the

1 effective date of this act shall be one year for the member  
2 appointed by the Speaker of the House of Representatives, two  
3 years for the members appointed by the Governor, three years  
4 for the members appointed by the Attorney General, four years  
5 for the member appointed by the Lieutenant Governor, and five  
6 years for the member appointed by the Chief Justice of the  
7 state Supreme Court. Each member of the commission shall serve  
8 for the duration of his or her term and until his or her  
9 successor is appointed and confirmed by the Senate; however,  
10 if a successor is not appointed and confirmed within 120 days  
11 after the expiration of the term of a member, a vacancy shall  
12 be deemed to exist.

13 (c) The commission, its members, and employees shall  
14 be subject to the Ethics Law, Section 36-25-1, et seq., Code  
15 of Alabama 1975; the Open Records Act, Section 36-12-40, Code  
16 of Alabama 1975; the Open Meetings Act, Section 36-25A-1, et  
17 seq., Code of Alabama 1975; and the Administrative Procedure  
18 Act, Section 41-22-1, et seq., Code of Alabama 1975.

19 (d) A licensee or an applicant for a license may not  
20 make a campaign contribution to any public official authorized  
21 to make an appointment to the commission.

22 (e) The commission shall adopt rules:

23 (1) Establishing standards and procedures for sports  
24 wagering which shall provide for the conduct and  
25 implementation of sports wagering within licensed facilities,  
26 including any new sports wagering or variations or composites  
27 of approved sports wagering if the commission determines that

1 the new sports wagering or any variations or composites or  
2 other approved sports wagering are suitable for use after a  
3 test or experimental period under the terms and conditions as  
4 the commission may deem appropriate.

5 (2) Establishing standards and rules to govern the  
6 conduct of sports wagering and the system of wagering,  
7 including the manner in which wagers are received, payouts are  
8 remitted and point spreads, lines, and odds are determined.  
9 The commission may also establish standards and rules to  
10 govern the conduct of sports wagering and the system of  
11 wagering as a form of interactive gaming authorized by the  
12 state.

13 (3) Establishing the method for calculating gross  
14 sports wagering revenue and standards for the daily counting  
15 and recording of cash and cash equivalents received in the  
16 conduct of sports wagering, including ensuring that internal  
17 controls are followed and how financial books and records are  
18 maintained and audits are conducted. The commission shall  
19 consult with the Department of Revenue in adopting rules under  
20 this subdivision.

21 (4) Establishing notice requirements pertaining to  
22 minimum and maximum wagers on sports wagering.

23 (5) Establishing compulsive and problem gambling  
24 standards pertaining to sports wagering consistent with this  
25 act.

26 (6) Establishing standards prohibiting persons under  
27 21 years of age from participating in sports wagering.

1           (7) Requiring each licensee as appropriate to do all  
2 the following:

3           a. Provide written information about sports wagering  
4 rules, payouts, winning wagers, and other information as the  
5 commission may require.

6           b. Designate one or more locations within the  
7 licensed facility of the certificate holder to conduct sports  
8 wagering.

9           c. Ensure that no person under 21 years of age  
10 participates in sports wagering.

11           Section 4. (a) In addition to the duties set forth  
12 in Section 3, the commission may regulate sports pools and the  
13 conduct of sports wagering under this act.

14           (b) The commission shall examine the rules  
15 implemented in other states where sports wagering is conducted  
16 and, as far as practicable, shall adopt a similar regulatory  
17 framework through adoption of rules.

18           (c) The commission may adopt any rules which it  
19 considers necessary for the successful implementation,  
20 administration, and enforcement of this act.

21           (1) The rules adopted by the commission may  
22 include, but are not limited to, all of the following:

23           a. The acceptance of wagers on a sports event or a  
24 series of sports events.

25           b. Maximum wagers which may be accepted by an  
26 operator from any one patron on any one sports event.

27           c. The type of wagering tickets which may be used.

1           d. The method of issuing tickets and the method of  
2 accounting to be used by operators.

3           e. The type of records which shall be kept; use of  
4 credit and checks by patrons.

5           f. The type of system for wagering and the  
6 protections for patrons placing wagers.

7           g. The promotion of social responsibility,  
8 responsible gaming, and inclusion of the statement, "If you or  
9 someone you know has a gambling problem and wants help, call  
10 1-800 GAMBLER," in every designated area approved for sports  
11 wagering and on any mobile application or other digital  
12 platform used to place wagers.

13           (2) The commission shall establish and approve  
14 minimum internal control standards proposed by licensed  
15 operators for the administration of sports wagering  
16 operations, wagering equipment, and systems, or other items  
17 used to conduct sports wagering, as well as maintenance of  
18 financial records and other required records.

19           (d) The commission shall determine the eligibility  
20 of a person to hold or continue to hold a license, shall issue  
21 all licenses, and shall maintain a record of all licenses  
22 issued in this act.

23           (e) The commission shall levy and collect all fees,  
24 surcharges, civil penalties, and weekly tax on adjusted gross  
25 sports wagering receipts imposed by this act, and deposit all  
26 money into the Sports Wagering Fund, except as otherwise  
27 provided in this act.

1           (f) The commission may sue to enforce any provision  
2 of this act or any rule of the commission by civil action or  
3 petition for injunctive relief.

4           (g) The commission shall hold hearings, administer  
5 oaths, and issue subpoenas or subpoenas duces tecum. All  
6 hearings shall be conducted pursuant to the state  
7 Administrative Procedure Act.

8           (h) The commission may exercise any powers necessary  
9 to effectuate this act and the rules of the commission.

10           Section 5. (a) The commission may not grant a  
11 license required under this act to any applicant until the  
12 commission has published the notice as required by Section  
13 41-22-5 of the Code of Alabama 1975.

14           (b) A person or entity may not engage in an activity  
15 in connection with sports wagering in this state unless all  
16 necessary licenses have been obtained in accordance with this  
17 act and the rules of the commission. The four types of  
18 licenses which may be issued pursuant to this act are  
19 operator, supplier, management services, and occupational.

20           (c) The commission may not grant a license until it  
21 determines that each applicant, and each person who has  
22 control of the applicant, meets all qualifications for  
23 licensure. The following persons are considered to have  
24 control of an applicant:

25           (1) Each person associated with a corporate  
26 applicant, including any corporate holding company, parent  
27 company, or subsidiary company of the applicant who has the



1 ability to control the activities of the corporate applicant  
2 or elect a majority of the board of directors of that  
3 corporation. This does not include any bank or other licensed  
4 lending institution which holds a mortgage or other lien  
5 acquired in the ordinary course of business.

6 (2) Each person associated with a noncorporate  
7 applicant who directly or indirectly holds a beneficial or  
8 proprietary interest, or who the commission otherwise  
9 determines has the ability to control the applicant.

10 (3) Key personnel of an applicant, including any  
11 executive, employee, or agent having the power to exercise  
12 significant influence over decisions concerning any part of  
13 the applicant's business operation.

14 (d) Each applicant for a license issued under this  
15 act shall submit an application to the commission in the form  
16 the commission requires and submit fingerprints for a state  
17 and national criminal history records check from the Alabama  
18 State Law Enforcement Agency or the Federal Bureau of  
19 Investigation. The fingerprints shall be furnished by all  
20 persons required to be named in the application and shall be  
21 accompanied by a signed authorization for the release of  
22 information by the Alabama State Law Enforcement Agency and  
23 the Federal Bureau of Investigation. The commission may  
24 require additional background checks on licensees when they  
25 apply for annual license renewal, and an applicant convicted  
26 of a disqualifying offense shall not be licensed.

1           (e) Each sports wagering licensee, licensed  
2           supplier, or a licensed management services provider shall  
3           display the license conspicuously in its place of business or  
4           have the license available for inspection by any agent of the  
5           commission or any law enforcement agency.

6           (f) Each holder of an occupational license shall  
7           carry the license and have some indicia of licensure  
8           prominently displayed on his or her person when present in a  
9           licensed gaming facility at all times in accordance with the  
10          rules of the commission.

11          (g) Each person licensed under this act shall give  
12          written notice to the commission within 30 days of a change to  
13          any information provided in the licensee's application for a  
14          license or renewal.

15          (h) No commission employee may be an applicant for  
16          any license issued under this act.

17          Section 6. (a) A facility where pari-mutuel wagering  
18          is permitted by law may operate sports wagering upon the  
19          approval of the commission.

20          (b) An operator license allows each licensee lawful  
21          authority to conduct sports wagering within the terms and  
22          conditions of the license and any rule adopted pursuant to  
23          this act.

24          (c) The commission may issue up to seven licenses to  
25          operate sports wagering.

26          (d) Upon application by a pari-mutuel facility and  
27          payment of a one hundred thousand dollar (\$100,000)

1 application fee, the commission shall immediately grant a  
2 sports wagering license to an operator that provides for the  
3 right to conduct sports wagering where pari-mutuel wagering is  
4 permitted who otherwise meets the requirements for licensure  
5 under this act and the rules of the commission. This license  
6 shall be issued for a five-year period and may be renewed for  
7 five-year periods upon payment of a one hundred thousand  
8 dollar (\$100,000) renewal fee if an operator continues to meet  
9 all qualification requirements.

10 (e) A sports wagering license authorizes the  
11 operation of sports wagering at locations and through any  
12 mobile application or other digital platforms approved by the  
13 commission.

14 (f) (1) A sports wagering licensee may not enter  
15 into any management services contract that would permit any  
16 person other than the licensee to act as the agent of the  
17 commission in operating sports wagering, unless the management  
18 services contract:

19 a. Is with a person licensed under this act to  
20 provide management services.

21 b. Is in writing.

22 c. Has been approved by the commission.

23 (2) Each sports wagering licensee shall submit any  
24 material change in a management services contract, previously  
25 approved by the commission, to the commission for its approval  
26 or rejection before the material change may take effect.

1           (3) The duties and responsibilities of a management  
2 services provider under a management services contract may not  
3 be assigned, delegated, subcontracted, or transferred to a  
4 third party without the prior approval of the commission, and  
5 the third parties must be licensed as a management services  
6 provider under this act before providing services.

7           (g) (1) A licensed operator shall submit to the  
8 commission such documentation or information as the commission  
9 may require to demonstrate to the satisfaction of the  
10 commission that the licensee continues to meet the  
11 requirements of the law and rules adopted by the commission.  
12 The required documentation or information shall be submitted  
13 no later than five years after issuance of an operator license  
14 and every five years thereafter, or within lesser periods,  
15 based on circumstances specified by the commission.

16           (2) If the licensee fails to apply to renew its  
17 license prior to expiration, the commission shall renew the  
18 license if the licensee was operating in compliance with the  
19 applicable requirements in the preceding license year.

20           (h) A sports wagering licensee shall execute a  
21 surety bond in an amount and in the form approved by the  
22 commission, to be given to the state, to guarantee the  
23 licensee faithfully makes all payments in accordance with this  
24 act and rules adopted by the commission.

25           (i) Upon application for a license and annually  
26 thereafter, a sports wagering licensee shall submit to the  
27 commission an annual audit of the financial transactions and

1 condition of the total operations of the licensee, prepared by  
2 a certified public accountant, in accordance with generally  
3 accepted accounting principles and applicable federal and  
4 state laws.

5 (j) Each sports wagering licensee shall provide  
6 suitable office space at the sports wagering facility at no  
7 cost for the commission to perform the duties required of it  
8 by this act and the rules of the commission.

9 (k) Each sports wagering licensee shall demonstrate  
10 that its gaming facility:

11 (1) Is accessible to disabled individuals, in  
12 accordance with applicable federal and state laws.

13 (2) Is licensed in accordance with this act and all  
14 other applicable federal, state, and local laws.

15 (3) Meets the qualifications specified in rules  
16 adopted by the commission.

17 (l) Notwithstanding any provision of law or rules  
18 adopted by the Alcoholic Beverage Control Board, vacation of  
19 the premises after service of beverages ceases is not required  
20 for any licensed gaming facility.

21 Section 7. (a) A holder of a license to operate  
22 sports wagering may contract with an entity to conduct that  
23 operation in accordance with the rules of the commission. The  
24 entity shall obtain a license as a management services  
25 provider prior to the execution of the contract and the  
26 license shall be issued pursuant to this act and any rules  
27 adopted by the commission.

1           (b) Each applicant for a management services  
2 provider license shall meet all requirements for licensure and  
3 pay a nonrefundable application fee of one thousand dollars  
4 (\$1,000). The commission may adopt rules establishing  
5 additional requirements for an authorized management services  
6 provider. The commission may accept licensing by another  
7 jurisdiction, if the other jurisdiction has similar licensing  
8 requirements, as evidence the applicant meets authorized  
9 management services provider licensing requirements.

10           (c) Each management services provider license shall  
11 be renewed annually to a licensee who continues to be in  
12 compliance with all requirements and who pays the annual  
13 renewal fee of one thousand dollars (\$1,000).

14           (d) An entity or individual who shares in revenue,  
15 including any affiliate operating under a revenue share  
16 agreement, shall be licensed under this section.

17           Section 8. (a) (1) The commission may issue a  
18 supplier license to a person to sell or lease sports wagering  
19 equipment, systems, or other gaming items necessary to conduct  
20 sports wagering, and offer services related to such equipment  
21 or other gaming items to a sports wagering licensee while the  
22 license is active. The commission may establish the conditions  
23 under which the commission may issue provisional licenses,  
24 pending completion of final action on an application.

25           (2) The commission may adopt rules establishing  
26 additional requirements for a sports wagering supplier and a  
27 system or other equipment utilized for wagering. The

1 commission may accept licensing by another jurisdiction if the  
2 other jurisdiction has similar licensing requirements and the  
3 applicant meets sports wagering supplier licensing  
4 requirements.

5 (b) An applicant for a supplier license shall  
6 demonstrate that the equipment, system, or services that the  
7 applicant plans to offer to the sports wagering licensee  
8 conform to standards established by the commission and  
9 applicable state law. The commission may accept approval by  
10 another jurisdiction if the jurisdiction has similar equipment  
11 standards and the applicant meets the standards established by  
12 the commission and applicable state law.

13 (c) Each applicant shall pay to the commission a  
14 nonrefundable license and application fee in the amount of one  
15 thousand dollars (\$1,000). After the initial one-year term,  
16 the commission shall renew supplier licenses annually  
17 thereafter. Renewal of a supplier license will be granted to  
18 any renewal applicant who has continued to comply with all  
19 applicable statutory and regulatory requirements upon  
20 submission of the commission issued renewal form and payment  
21 of a one thousand dollar (\$1,000) renewal fee.

22 (d) A licensed sports wagering supplier shall submit  
23 to the commission a list of all sports wagering equipment and  
24 services sold, delivered to, or offered to a sports wagering  
25 licensee in this state, as required by the commission, all of  
26 which shall be tested and approved by an independent testing  
27 laboratory approved by the commission. A sports wagering

1 licensee may continue to use supplies acquired from a licensed  
2 sports wagering supplier, even if the license of the supplier  
3 has expired or is otherwise canceled, unless the commission  
4 finds a defect in the supplies.

5 Section 9. (a) Each person employed to be engaged  
6 directly in wagering-related activities, or otherwise  
7 conducting or operating sports wagering, shall be licensed by  
8 the commission and maintain a valid occupational license at  
9 all times and the commission shall issue the license to be  
10 employed in the operation of sports wagering to a person who  
11 meets the requirements of this section.

12 (b) An occupational license to be employed by a  
13 gaming facility with sports wagering permits the licensee to  
14 be employed in the capacity designated by the commission while  
15 the license is still active. The commission may adopt, by  
16 rule, job classifications with different requirements to  
17 recognize the extent to which a particular job has the ability  
18 to impact the proper operation of sports wagering.

19 (c) Each applicant shall submit any required  
20 application forms established by the commission and pay a  
21 nonrefundable application fee of one hundred dollars (\$100).  
22 The fee may be paid on behalf of an applicant by the employer  
23 of the applicant.

24 (d) Each licensed employee shall pay to the  
25 commission an annual license fee of one hundred dollars (\$100)  
26 by October 31 of each year. The fee may be paid on behalf of  
27 the licensed employee by the employer. In addition to a



1 renewal fee, each licensed employee shall annually submit a  
2 renewal application on the form required by the commission.

3 Section 10. (a) The commission may not grant any  
4 license if evidence satisfactory to the commission exists that  
5 the applicant:

6 (1) Has knowingly made a false statement of a  
7 material fact to the commission.

8 (2) Has been suspended from operating a gambling  
9 game, gaming device, or gaming operation, or had a license  
10 revoked by any governmental authority responsible for  
11 regulation of gaming activities.

12 (3) Has been convicted of a crime of moral  
13 turpitude, a gambling-related offense, a theft or fraud  
14 offense, or has otherwise demonstrated, either by a law  
15 enforcement record or other satisfactory evidence, a lack of  
16 respect for law and order.

17 (4) Is a company or individual who has been directly  
18 employed by any illegal or offshore book that serviced the  
19 United States, or otherwise accepted black market wagers from  
20 individuals located in the United States.

21 (b) The commission may deny a license to an  
22 applicant, reprimand a licensee, or suspend or revoke a  
23 license:

24 (1) If the applicant or licensee has not  
25 demonstrated to the satisfaction of the commission financial  
26 responsibility sufficient to adequately meet the requirements  
27 of the proposed enterprise.

1           (2) If the applicant or licensee is not the true  
2 owner of the business or is not the sole owner, and has not  
3 disclosed the existence or identity of other persons who have  
4 an ownership interest in the business.

5           (3) If the applicant or licensee is a corporation  
6 which sells more than five percent of the voting stock of the  
7 licensee, or more than five percent of the voting stock of a  
8 corporation which controls the licensee, or sells the assets  
9 of a licensee, other than those bought and sold in the  
10 ordinary course of business, or any interest in the assets, to  
11 any person not already determined by the commission to have  
12 met the qualifications of a licensee under this act.

13           (c) The commission may deny a sports wagering  
14 license to an applicant, reprimand a licensee, or suspend or  
15 revoke a license if an applicant has not met the requirements  
16 of this act.

17           Section 11. (a) Each operator shall adopt  
18 comprehensive house rules for game play governing sports  
19 wagering transactions with its patrons. The comprehensive  
20 rules shall be published as part of the minimum internal  
21 control standards. The rules shall specify the amounts to be  
22 paid on winning wagers and the effect of schedule changes.  
23 House rules shall be approved by the commission prior to  
24 implementation.

25           (b) The house rules, together with other information  
26 the commission deems appropriate, shall be conspicuously  
27 displayed and included in the terms and conditions of the

1 sports wagering system, and copies of the rules shall be made  
2 readily available to patrons.

3 (c) The commission shall design a logo and require  
4 the display of the logo on game surfaces, other gaming items,  
5 and other locations the commission considers appropriate.

6 Section 12. (a) Each operator licensee shall do all  
7 of the following:

8 (1) Employ a monitoring system utilizing software to  
9 identify non-normal irregularities in volume or odds swings  
10 which could signal suspicious activities that should require  
11 further investigation, which shall be immediately reported to  
12 and investigated by the commission. The system requirements  
13 and specifications shall be developed according to industry  
14 standards and implemented by the commission as part of the  
15 minimum internal control standards.

16 (2) Promptly report to the commission any facts or  
17 circumstances related to the operation of a sports wagering  
18 licensee which constitute a violation of state or federal law  
19 and immediately report any suspicious betting over a threshold  
20 set by the operator, that has been approved by the commission,  
21 to the appropriate state or federal authorities.

22 (3) Conduct all sports wagering activities and  
23 functions in a manner which does not pose a threat to the  
24 public health, safety, or welfare of the citizens of this  
25 state and does not adversely affect the security or integrity  
26 of sports wagering in this state.

1           (4) Hold the commission and the state harmless from,  
2 defend, and pay for the defense of all claims asserted against  
3 a licensee, the commission, the state, or employees thereof,  
4 arising from the actions or omission of the licensee while  
5 acting as an agent of the commission operating sports  
6 wagering.

7           (5) Assist the commission in maximizing sports  
8 wagering revenues.

9           (6) Keep current in all payments and obligations to  
10 the commission.

11           (b) Each sports wagering licensee shall be  
12 responsible for doing all of the following:

13           (1) Acquire sports wagering gaming equipment by  
14 purchase, lease, or other assignment and provide a secure  
15 location for the placement, operation, and play of sports  
16 wagering gaming equipment.

17           (2) Prevent any person from tampering with or  
18 interfering with the operation of any sports wagering.

19           (3) Ensure that sports wagering conducted at a  
20 gaming facility is within the sight and control of designated  
21 employees of the licensee and such wagering at the facility or  
22 otherwise available by the licensee is conducted under  
23 continuous observation by security equipment in conformity  
24 with specifications and requirements of the commission.

25           (4) Ensure that sports wagering occurs only in the  
26 specific locations within designated gaming areas, approved by  
27 the commission, or using a commission-approved device, mobile

1 application, or digital platform that utilizes communications  
2 technology to accept wagers originating within this state.  
3 Sports wagering shall only be relocated or offered in  
4 additional authorized manners in accordance with the rules of  
5 the commission.

6 (5) Maintain sufficient cash and other supplies to  
7 conduct sports wagering at all times.

8 (6) Maintain daily records showing the gross sports  
9 wagering receipts and adjusted gross sports wagering receipts  
10 of the licensee from sports wagering and shall timely file  
11 with the commission any additional reports required by rule or  
12 by other provisions of this act.

13 Section 13. Each sports wagering licensee shall  
14 conspicuously post a sign at each sports wagering location  
15 indicating the minimum and maximum wagers permitted at that  
16 location and shall comply with the information on the sign.

17 Section 14. (a) The commission may do any of the  
18 following:

19 (1) Enter into sports wagering agreements with other  
20 governments where a person who is physically located in a  
21 signatory jurisdiction may participate in sports wagering  
22 conducted by one or more operators licensed by the signatory  
23 governments.

24 (2) Take all necessary actions to ensure that any  
25 sports wagering agreement entered into, pursuant to this  
26 section, becomes effective.

1           (b) The rules adopted by the commission, pursuant to  
2 this section, may include the following:

3           (1) The form, length, and terms of an agreement  
4 entered into by the commission and another government,  
5 including, but not limited to, provisions relating to how:

6           a. Taxes are to be treated by this state and another  
7 government.

8           b. Revenues are to be shared and distributed.

9           c. Disputes with patrons are to be resolved.

10          (2) The information to be furnished to the  
11 commission by a government that proposes to enter into an  
12 agreement with this state pursuant to this section.

13          (3) The information to be furnished to the  
14 commission to enable the commission to carry out the purposes  
15 of this section.

16          (4) The manner and procedure for hearings conducted  
17 by the commission pursuant to this section, including any  
18 special rules or notices.

19          (5) The information required to be furnished to the  
20 commission to support any recommendations made to the  
21 commission, pursuant to this section.

22          (c) The commission may not enter into any sports  
23 wagering agreement, pursuant to this section, unless the  
24 agreement includes the following:

25           (1) Account for the sharing of revenues by this  
26 state and another government.

1           (2) Permit the effective regulation of sports  
2     wagering by this state, including provisions relating to  
3     licensing of persons, technical standards, resolution of  
4     disputes by patrons, requirements for bankrolls, enforcement,  
5     accounting, and maintenance of records.

6           (3) Require each government that is a signatory to  
7     the agreement to prohibit operators of sports wagering,  
8     service providers, manufacturers, or distributors of sports  
9     wagering systems from engaging in any activity permitted by  
10    the sports wagering agreement, unless they are licensed in  
11    this state or in a signatory jurisdiction with similar  
12    requirements approved by the commission.

13          (4) Prevent variation from the requirements of the  
14    sports wagering agreement for any signatory government with a  
15    lack of opposition by this state and all signatory  
16    governments.

17          (5) Prohibit any subordinate or side agreements  
18    among any subset of governments that are signatories to the  
19    agreement unless it relates exclusively to the sharing of  
20    revenues.

21          (6) Require the government to establish and maintain  
22    regulatory requirements governing sports wagering that are  
23    consistent with the requirements of this state in all material  
24    respects, if the sports wagering agreement allows persons  
25    physically located in this state to participate in sports  
26    wagering conducted by another government or an operator  
27    licensed by another government.

1           Section 15. (a) An operator shall accept wagers on  
2 sports events and other events authorized under this act from  
3 persons physically present in a licensed gaming facility where  
4 authorized sports wagering occurs, or from persons not  
5 physically present who wager by means of approved electronic  
6 devices. A person placing a wager shall be at least 21 years  
7 of age.

8           (b) An operator may accept wagers from an individual  
9 physically located within this state using a mobile or other  
10 digital platform or a sports wagering device approved by the  
11 commission through the patron's sports wagering account.

12           (c) An operator may accept wagers from an individual  
13 physically located in a state or jurisdiction with which the  
14 commission has entered into a sports wagering agreement and  
15 using a mobile or other digital platform or a sports wagering  
16 device, through the patron's sports wagering account, if the  
17 device or platform is approved by the commission and all other  
18 requirements of the agreement are satisfied.

19           (d) The commission and operator may ban any person  
20 from entering a gaming area of a gaming facility conducting  
21 sports wagering, or the grounds of a gaming facility licensed  
22 under this act, from participating in the play or operation of  
23 all sports wagering. A log of all excluded players shall be  
24 kept by the commission and each licensee, and a player on the  
25 commission's exclusion list or the licensed operator's  
26 exclusion list may not be allowed to wager on sports wagering  
27 under this act.



1           (e) The commission shall adopt rules implementing  
2 subsection (a) by interpretive rule and minimum internal  
3 control standards.

4           (f) The commission, when a federal law is enacted or  
5 repealed or when a federal court decision is filed that  
6 permits a state to regulate sports wagering, shall publish a  
7 notice in the Alabama Administrative Code notifying the public  
8 of the enactment or repeal of federal law or of the issuance  
9 of the court decision. The commission shall not be authorized  
10 to conduct sports wagering in this state until the notice  
11 prescribed in this subsection is published in the Alabama  
12 Administrative Code.

13           (g) A licensed gaming facility employee may not  
14 place a wager on any sports wagering at the facility of his or  
15 her employer or through any other mobile application or  
16 digital platform of his or her employer.

17           (h) A commission employee may not knowingly wager or  
18 be paid any prize from any wager placed at any licensed gaming  
19 facility with sports wagering within this state or at any  
20 facility outside this jurisdiction that is directly or  
21 indirectly owned or operated by a sports wagering licensee.

22           Section 16. (a) For the privilege of holding a  
23 license to operate sports wagering under this act there is  
24 levied a 10 percent tax on the adjusted gross sports wagering  
25 receipts from the operation of sports wagering of the  
26 licensee. The accrual method of accounting shall be used for

1 purposes of calculating the amount of the tax owed by the  
2 licensee.

3 (b) (1) The tax levied and collected pursuant to  
4 subsection (a) is due and payable to the commission in weekly  
5 installments, on or before the Wednesday following the  
6 calendar week in which the adjusted gross sports wagering  
7 receipts were received and the tax obligation was accrued.

8 (2) The licensed operator shall complete and submit  
9 the return for the preceding week by electronic communication  
10 to the commission, on or before Wednesday of each week, in the  
11 form prescribed by the commission that provides all of the  
12 following:

13 a. The total gross sports wagering receipts and  
14 adjusted gross sports wagering receipts from the operation of  
15 sports wagering during that week.

16 b. The tax amount for which the sports wagering  
17 licensee is liable.

18 c. Any additional information necessary in the  
19 computation and collection of the tax on adjusted gross sports  
20 wagering receipts required by the commission.

21 (3) The tax amount shown to be due shall be remitted  
22 by electronic funds transfer simultaneously with the filing of  
23 the return. All moneys received by the commission pursuant to  
24 this section shall be deposited in the Sports Wagering Fund.

25 (4) When the adjusted gross receipts for a week is a  
26 negative number because the winnings paid to patrons wagering  
27 on the sports wagering of the licensee exceeds the total gross

1 receipts of the licensee from sports wagering by patrons, the  
2 commission shall allow the licensee to carry over the negative  
3 amount to returns filed for subsequent weeks. The negative  
4 amount of adjusted gross receipts may not be carried back to  
5 an earlier week and moneys previously received by the  
6 commission will not be refunded, except if the licensee  
7 surrenders its operator's license, and last return reported  
8 negative adjusted gross receipts, and in that case, the  
9 commission shall multiply the amount of negative adjusted  
10 gross receipts by 10 percent and pay the amount to the  
11 licensee in the manner approved by the commission.

12 (c) With the exception of ad valorem property taxes,  
13 the tax on the adjusted gross sports wagering receipts imposed  
14 by this section is in lieu of all other state and local taxes  
15 and fees imposed on the operation of, or the proceeds from the  
16 operation of, sports wagering.

17 (d) Notwithstanding any other provision law, no  
18 credit may be allowed against the tax obligation imposed by  
19 this section or against any other tax imposed by any other  
20 provision of law for any investment in gaming equipment or for  
21 any investment in, or improvement to, real property that is  
22 used in the operation of sports wagering.

23 Section 17. (a) A special fund in the State Treasury  
24 known as the Sports Wagering Fund is hereby created and all  
25 money collected under this act by the commission shall be  
26 deposited with the State Treasurer to the Sports Wagering  
27 Fund. The fund shall be an interest-bearing account with all

1 interest or other return earned on the money of the fund  
2 credited to and deposited in the fund. All expenses of the  
3 commission incurred in the administration and enforcement of  
4 this act shall be paid from the sports wagering fund, pursuant  
5 to subsection (b).

6 (b) The commission shall deduct an amount sufficient  
7 to reimburse its actual costs and expenses incurred in  
8 administering sports wagering at licensed gaming facilities  
9 from the gross deposits into the Sports Wagering Fund. The  
10 amount remaining after the deduction for administrative  
11 expenses is the net profit.

12 (1) The commission shall retain up to 15 percent of  
13 the gross deposits for the fund operation and its  
14 administrative expenses. If the percentage allotted for  
15 operations and administration generates a surplus, the surplus  
16 shall be allowed to accumulate but may not exceed two hundred  
17 fifty thousand dollars (\$250,000). On a monthly basis, the  
18 commission shall remit the entire amount of surplus funds in  
19 excess of two hundred fifty thousand dollars (\$250,000) to the  
20 State Treasurer which shall be allocated as net profit which  
21 shall be deposited into the Sports Wagering Fund.

22 (2) Monies in the Sports Wagering Fund shall be  
23 allocated exclusively to provide scholarships for up to two  
24 years to citizens of Alabama to attend two- and four-year  
25 public institutions of higher education located in Alabama  
26 which shall be administered by the Department of Education.

1           Section 18. The commission shall by contract or  
2 cooperative agreement with the Alabama State Law Enforcement  
3 Agency, arrange for those law enforcement services uniquely  
4 related to sports wagering at facilities authorized by this  
5 act that are necessary to enforce this act. The Alabama State  
6 Law Enforcement Agency shall have exclusive jurisdiction over  
7 offenses committed on the grounds of a licensed sports  
8 wagering facility that are offenses relating to sports  
9 wagering.

10           Section 19. (a) The commission may impose, on any  
11 person who violates this act, a civil penalty not to exceed  
12 fifty thousand dollars (\$50,000) for each violation. The  
13 penalty shall be imposed on all individuals and is not limited  
14 to individuals licensed under this act. This subsection shall  
15 not be construed as applicable to office pools.

16           (b) The provisions of Section 41-22-12, Code of  
17 Alabama 1975, shall apply to any civil penalty imposed  
18 pursuant to this section.

19           Section 20. (a) A person, other than a licensee  
20 under this act, who engages in accepting, facilitating, or  
21 operating a sports wagering operation shall be guilty of a  
22 misdemeanor and, upon conviction of the offense, shall be  
23 fined not more than ten thousand dollars (\$10,000) or confined  
24 in jail for not more than 90 days, or both fined and confined.

25           (b) A person convicted of a second violation of  
26 subsection (a) is guilty of a misdemeanor and, upon  
27 conviction, shall be fined not more than fifty thousand

1       dollars (\$50,000) or confined in jail for not more than six  
2       months, or both fined and confined.

3               (c) A person convicted of a third or subsequent  
4       violation of subsection (a) shall be guilty of a felony and,  
5       upon conviction, shall be fined not less than twenty-five  
6       thousand dollars (\$25,000) nor more than one hundred thousand  
7       dollars (\$100,000) or imprisoned in a state correctional  
8       facility for not less than one year nor more than five years,  
9       or both fined and confined.

10              Section 21. (a)(1) A sports wagering licensee shall  
11       be guilty of unlawful operation if:

12              a. The licensee operates sports wagering without  
13       authority of the commission to do so.

14              b. The licensee operates sports wagering in any  
15       location or by any manner that is not approved by the  
16       commission.

17              c. The licensee knowingly conducts, carries on,  
18       operates, or allows any sports wagering to occur on premises  
19       or through any other device if equipment or material has been  
20       tampered with, or exposed to conditions in which it will be  
21       operated in a manner designed to deceive the public.

22              d. The licensee employs an individual who does not  
23       hold a valid occupational license in a position for which a  
24       license is required or otherwise allows an individual to  
25       perform duties for which such license is required, or  
26       continues to employ an individual after the employee's  
27       occupational license is no longer valid.

1           e. The licensee acts or employs another person to  
2 act as if he or she is not an agent or employee of the  
3 licensee in order to encourage participation in sports  
4 wagering at the licensed gaming facility.

5           f. The licensee knowingly permits an individual  
6 under the age of 21 to enter or remain in a designated gaming  
7 area or to engage in sports wagering at a licensed gaming  
8 facility.

9           g. The licensee exchanges tokens, chips, electronic  
10 media, or other forms of credit used for wagering for anything  
11 of value except money or credits applied to a sports wagering  
12 account at a gaming facility authorized under this act.

13           (2) Any person who violates this subsection shall be  
14 guilty of a Class C felony.

15           (b)(1) It shall be unlawful for a person to do any  
16 of the following:

17           a. Offer, promise, or give anything of value to  
18 anyone for the purpose of influencing the outcome of a race,  
19 sporting event, contest, or game upon which a wager may be  
20 made, or a person places, increases, or decreases a wager  
21 after acquiring knowledge, not available to the general  
22 public, that anyone has been offered, promised, or given  
23 anything of value for the purpose of influencing the outcome  
24 of a race, sporting event, contest, or game upon which the  
25 wager is placed, increased or decreased, or attempts to do any  
26 of the same.

1           b. Change or alter the normal outcome of any game  
2 played on a mobile or other digital platform, including any  
3 interactive gaming system used to monitor the same, or the way  
4 in which the outcome is reported to any participant in the  
5 game.

6           c. Manufacture, sell, or distribute any device that  
7 is intended by that person to be used to violate this act or  
8 the sports wagering laws of any other state.

9           d. Place a bet or aid any other individual in  
10 placing a bet on a sporting event or other sports wagering  
11 game or offering authorized under this act after unlawfully  
12 acquiring knowledge of the outcome in which winnings from that  
13 bet are contingent.

14           e. Claim, collect, or take anything of value from a  
15 gaming facility with sports wagering with intent to defraud,  
16 or attempt such action, without having made a wager in which  
17 such amount or value is legitimately won or owed.

18           f. Knowingly place a wager using counterfeit  
19 currency or other counterfeit forms of credit for wagering at  
20 a gaming facility with sports wagering.

21           g. The person, not a licensed gaming facility under  
22 this act or an employee or agent of a gaming facility licensed  
23 under this act, acting in furtherance of the licensee's  
24 interest, has in his or her possession on grounds owned by the  
25 gaming facility licensed under this act or on grounds  
26 contiguous to the licensed gaming facility, any device



1 intended to be used to violate this act or any rule of the  
2 commission.

3 (2) Any person who violates this subsection shall be  
4 guilty of a Class C felony.

5 (b) Each sports wagering licensee shall post notice  
6 of the prohibitions and penalties of this section in a manner  
7 determined by the rules of the commission.

8 Section 22. (a) Anything of value and its traceable  
9 proceeds are subject to forfeiture to the state if used for  
10 any of the following:

11 (1) As a bribe intended to affect the outcome of a  
12 sports wagering game or event in a licensed gaming facility.

13 (2) In exchange for, or to facilitate, a violation  
14 of this act.

15 (b) If the forfeited property includes the gaming  
16 facility real property and all of its improvements and related  
17 personal property, the commission may take control of and  
18 operate the gaming facility and all related functions until  
19 the forfeited property is sold or returned to the licensee as  
20 a result of due process proceedings.

21 Section 23. Section 13A-12-31, Code of Alabama 1975,  
22 is amended to read as follows.

23 "§13A-12-31.

24 "(a) The Legislature is cognizant of Opinion of the  
25 Justices No. 205, issued August 16, 1971, in which the Supreme  
26 Court of Alabama held that while the Constitution of Alabama  
27 of 1901, states that the Legislature shall not authorize a

1 lottery, it "does not restrict the Legislature in its  
2 authority to authorize gambling." In Opinion No. 205, the  
3 Supreme Court held that placing bets on dog races with a  
4 pari-mutuel system of wagering was permissible, since "the  
5 winner of a dog race is not determined by chance," and since a  
6 "significant degree of skill is involved in picking the  
7 winning dog, (including) such factors as weight, paternity,  
8 trainer, position, past record, wet or dry track, etc. all (of  
9 which) must be considered by (the) successful bettor." It  
10 further opined that the pari-mutuel system of wagering did not  
11 have a direct impact on the outcome of the race, but only upon  
12 the amount of the purse, and that because of this, the  
13 presence of wagering would not convert the race from a game of  
14 skill to a game of chance, and wagering on the outcome of the  
15 race would therefore not be considered an impermissible  
16 lottery.

17 "(b) The Legislature is also cognizant of Opinion of  
18 the Justices No. 373, issued April 24, 2001, in which the  
19 Supreme Court of Alabama recognized Alabama's previous  
20 adoption of the "'correct American Rule,' i.e., that a game  
21 escapes anti-lottery provisions only where skill is the  
22 dominant factor." In Opinion No. 373, the Supreme Court cited  
23 Opinion of the Justices No. 83, issued September 8, 1947, in  
24 which the Supreme Court wrote: "[i]n a lottery the winner is  
25 determined by lot. Lot or chance is the determining factor and  
26 a participant has no opportunity to materially exercise his  
27 reason, judgment, sagacity, or discretion... Horse racing,

1 like foot races, boat races, football, and baseball, is a game  
2 in which the skill and judgment of man enter into the outcome  
3 to a marked degree and is not a game where chance is the  
4 dominant factor."

5 "(c) The Legislature finds that, under the reasoning  
6 of the Supreme Court of Alabama in Opinion of the Justices No.  
7 205, Opinion of the Justices No. 373, and Opinion of the  
8 Justices No. 83, sports events, like horse racing, dog racing,  
9 foot races, boat races, football, baseball, and more, are  
10 games of skill where chance is not the dominant factor.  
11 Because of this, the Legislature finds that exempting wagering  
12 on professional, college, and amateur sports events is  
13 permissible, that doing so is logical for the same reasons  
14 that currently allow for pari-mutuel wagering on race meetings  
15 in Alabama, and that doing so does not violate the  
16 Constitution.

17 "(d) ~~The provisions of this~~ This article shall not  
18 apply to pari-mutuel betting at race meetings authorized by  
19 statute. All presently effective state statutes and laws and  
20 locally adopted ordinances and laws pursuant thereto  
21 legalizing, authorizing, or allowing greyhound races and  
22 betting or wagering thereon are hereby expressly and  
23 specifically preserved, saved, and excepted from any repealer  
24 provisions contained anywhere in the Criminal Code.

25 "(e) This article shall not apply to the  
26 participation in or operation of a pool or service that

1     accepts or facilitates wagering on professional, collegiate,  
2     or amateur sport contests or athletic events.

3             "(f) A person must be 21 years of age or older to  
4     lawfully participate in a pool or service that accepts wagers  
5     on sport contests or athletic events as provided for by this  
6     subsection."

7             Section 24. Although this bill would have as its  
8     purpose or effect the requirement of a new or increased  
9     expenditure of local funds, the bill is excluded from further  
10    requirements and application under Amendment 621, now  
11    appearing as Section 111.05 of the Official Recompilation of  
12    the Constitution of Alabama of 1901, as amended, because the  
13    bill defines a new crime or amends the definition of an  
14    existing crime..

15            Section 25. This act shall become effective on the  
16    first day of the third month following its passage and  
17    approval by the Governor, or its otherwise becoming law.