HB172

By Representative Ford (Constitutional Amendment)

RFD: Ways and Means General Fund

First Read: 06-FEB-13
SYNOPSIS: Under existing law, lotteries and gift enterprises are prohibited.

This bill would propose an amendment to Section 65 of the Constitution of Alabama of 1901, to establish an Alabama Lottery to fund certain Education Trust Fund programs, to create an Alabama Lottery Corporation to implement and to regulate the operation of such lottery, and to prohibit the operation of casinos in the State.

The amendment dedicates the net proceeds from the lottery to the Education Trust Fund for classroom instructional supplies, resource officers and scholarships. The amendment provides that lottery proceeds will not supplant or replace existing education revenues, establishes the Lottery Trust Fund, and authorizes the Legislature to pass general laws to implement the amendment.

A BILL TO BE ENTITLED
AN ACT

Proposing an amendment to Section 65 of the Constitution of Alabama of 1901, to establish an Alabama Lottery; to establish an Alabama Lottery Corporation; to establish the Lottery Trust Fund; to provide for the allocation of the lottery proceeds to the Education Trust Fund for classroom instructional supplies, resource officers and scholarships; to authorize the Legislature to implement the amendment through enabling legislation; to provide that lottery proceeds shall not supplant or replace existing education revenues; and to prohibit the operation of casinos in the State.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

PROPOSED AMENDMENT

Section 65 of Article IV of the Constitution of Alabama of 1901, as amended, is amended to read as follows:

"Section 65.

"PART I."
Except as provided in Part II of this section, the Legislature shall have no power to authorize lotteries or gift enterprises for any purposes, and shall pass laws to prohibit the sale in this state of lottery or gift enterprise tickets, or tickets in any scheme in the nature of a lottery; and all acts, or parts of acts heretofore passed by the Legislature of this state, authorizing a lottery or lotteries, and all acts amendatory thereof, or supplemental thereto, are hereby avoided.

"PART II.

"(a) Establishment of an Alabama Lottery.

"The Legislature shall, by general law, provide for the establishment, administration, operation, and regulation of an Alabama Lottery.

"(b) Replacement of Existing Education Funds Prohibited.

"Funds deposited into the Education Trust Fund which are derived from the Alabama Lottery shall not replace or supplant existing or any other funds dedicated or intended for the purposes of such Fund.

"(c) Lottery Trust Fund.

"The proceeds from the Alabama Lottery shall be applied first to the payment of the expenses of administering and operating the Alabama Lottery, including, without limitation, the payment of all prizes, without any further appropriation required by law, and the balance of such proceeds remaining after such payments shall be deposited, as
provided by general law, and held in a special, separate account in the State Treasury hereby created and designated the "Lottery Trust Fund" until such time as such proceeds are disbursed pursuant to this amendment.

"(d) Alabama Lottery Corporation.

"The administration of the Alabama Lottery shall be vested in a corporation hereby created and designated the "Alabama Lottery Corporation." The duties, powers, authority, and composition of the Alabama Lottery Corporation shall be provided by general law.

"(e) Allocations and Disbursements.

"(1) Monies in the Lottery Trust Fund shall be allocated and disbursed to the Education Trust Fund to be used exclusively (a) first, to increase the annual appropriation for classroom instructional supplies to $1,000 per teacher unit; (b) a minimum of $25 million annually to help local public school systems hire, train and equip resource officers to place in the local schools; and (c) the remainder to provide scholarships to citizens of Alabama who are A/B Honor Roll students, as established by the Legislature, to attend universities, colleges, and junior, technical, or community colleges located in Alabama.

"(f) Agreements with other Jurisdictions.

"The Alabama Lottery Corporation may enter into reciprocal agreements with other jurisdictions for the operation and promotion of games which are permitted to be operated, utilized, or conducted by the Alabama Lottery.
"(g) Limitation on activities.

"The Alabama Lottery may authorize, conduct, employ, include, or utilize only those games of chance approved by the Alabama Lottery Corporation which may include, without limitation, the sale of lottery tickets; provided, however, that the Alabama Lottery is prohibited from operating, using, or employing, or authorizing the operation, use, or employment of, directly or indirectly, a casino or casinos and is further prohibited from authorizing, conducting, employing, including, or utilizing, directly or indirectly, any form of casino gambling.

"(h) Implementation.

"The Legislature may enforce and implement this section by appropriate general law. Any act or acts that are enacted by the Alabama Legislature during the same session of the Legislature at which this amendment is proposed and which are in implementation and furtherance of the purposes of this amendment and the authority granted by this amendment, and all actions heretofore taken pursuant to such act or acts, are hereby validated, ratified, and confirmed as effective as of the date on which such act or acts were so enacted in accordance with the Constitution of Alabama of 1901, as amended, and as of the respective dates on which such actions were taken.

"(i) Nothing in this amendment affects, prohibits, or limits any activity which was legal at the time this amendment becomes effective including, without limitation,
pari-mutuel betting and nonprofit bingo as provided for by specific laws.

"(j) The terms and provisions of this amendment and of any enabling legislation enacted by the Alabama Legislature with respect to this amendment shall supersede and take precedence over any other provision of law which may conflict or be inconsistent with this amendment or such legislation, and this amendment and such enabling legislation shall operate and be construed without regard to such conflict or inconsistency."

Section 2. An election upon the above proposed amendment shall be held, in accordance with the provisions of Sections 284 and 285 of the Constitution of Alabama of 1901, now appearing as Sections 284 and 285 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, and the general election laws of Alabama. Notice of the election and of the proposed amendment shall be given by proclamation of the Governor, which proclamation shall be published once a week for four successive weeks next preceding the day appointed for the election in a newspaper in each county of the state.

Section 3. The appropriate election official shall assign a ballot number for the proposed constitutional amendment on the election ballot and shall set forth the following description on the proposed constitutional amendment:
"Proposing an amendment to the Constitution of Alabama of 1901, to establish an Alabama Lottery and an Alabama Lottery Trust Fund, to distribute net lottery proceeds to the Education Trust Fund for classroom instructional supplies, and resource officers and scholarships; to create an Alabama Lottery Corporation to regulate and administer the lottery; to prohibit the operation of casinos; to require the proceeds to be used to increase funding for education and not to take the place of existing education revenues; and to allow the Legislature to implement the Alabama Lottery through appropriate general law."

This description shall be followed by the following language:

"Yes ( ) No ( )."