

AN EDUCATIONAL UPDATE FROM  
THE SOUTHEAST LAW INSTITUTE™, INC.

**To:** Interested Persons  
**Date:** March 2021  
**From:** A. Eric Johnston  
**Re:** SB214 – Alabama Constitutional Amendment to Expand Gambling

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This bill is a constitutional amendment to remove all restrictions on gambling in Alabama. While it will be voted on by the people, it has very little substance and will leave much of the decision making to the Alabama Legislature. Here are some pertinent points:

- The forms of gambling authorized by the bill will be old fashion charitable bingo, electronic bingo, lottery, and casino style and sports gambling.
- It creates a monopoly allowing gambling at seven sites: Jefferson County, Mobile County Greentrack and VictoryLand, and three Poarch Indian sites, i.e., Atmore, Wetumpka and Jackson or Dekalb County. No other sites are permitted.
- Gambling revenues from the above listed venues will be taxed at 20% payable to different government recipients, including 75% of the said 20% payable for broadband expansion (65%), rural health care services (25%) and mental health services (10%). Lottery revenues will fund a post-secondary scholarship program.
- There are no mandatory provisions to address gambling addiction and related problems.
- Gambling officials and operators may not contribute directly to political campaigns, but there are no extended provisions to prevent subterfuge.
- The Governor has given authority to negotiate a compact with the Poarch Indians concerning what gambling they may have and presumably, what taxes they will pay. However, the bill contains no provisions as to those terms. The Indians have participated in the preparation of this bill, but the facts are kept from view.
- The bill has few details. If the people approve all of these forms of gambling, all authority is delegated to the legislature to pass general laws to implement this gambling monopoly in Alabama. The Alabama Education Lottery Corporation and the Alabama Gaming Commission will be laws unto themselves.

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The above memorandum was sent to members of the Senate Tourism Committee. The bill received a favorable report from the committee and now goes to the Senate for consideration. There is not a House version of the bill. It is expected the Senate version, if it passes the Senate, will then go to the House for consideration. We prepared a longer memorandum reviewing the bill in detail. We also provided that to the committee members. If you want a copy of it, let us know and we will provide it to you.

Governor Ivey's Study Group on Gambling Policy released a report on December 18, 2020 with a finding that the state could generate as much as \$710 million in potential annual state revenue. Using this as a basis, many politicians believe gambling is the answer to the state's financial future.

The bill is detailed in its foundations, but leaves most of its implementation to general laws to be later written by the legislature, and rules and regulations to be determined by the Alabama Gaming Commission. The oft repeated refrain, "let the people vote," only serves to remove the constitutional barrier to gambling, thereby permitting lottery, and casino style, sports and charitable bingo gambling. All the people will determine is, "yes we will have gambling." Then the policy makers and those with vested interests in the profits of gambling will take control. The engine driving this bill is money. The very first part of the bill discusses the wonderful revenues and benefits the state of Alabama will receive.

The bill creates a gambling monopoly as noted above. Only those special interests will have the ability to operate casinos. Charitable bingo, such as at the firehall or civic center, will be traditional paper card bingo, and with only limited revenues. It will probably become a thing of the past in most places.

The bill exempts Alabama Constitution provisions which prohibit special privileges and immunities to be extended to individuals by legislative enactments. This gambling legislation is exactly that - it is a privilege extended to certain ones to tax the least fortunate with the immunity of law. The very provisions of this bill exempt gambling operators from most of the general laws of this state and will leave its regulation up to the specially appointed Alabama Gaming Commission. It is important you express your concerns to your Senator and Representative on this very important issue.