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3 SENATE C&E COMMITTEE SUBSTITUTE FOR SB470  
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8 SYNOPSIS: Under existing law, a gambling interest or a  
9 person or agent on behalf of a gambling interest  
10 may contribute money or a thing of value to a  
11 candidate for nomination or election to a public  
12 office in this state.

13 This bill would provide that it shall be  
14 unlawful for a gambling interest or a person or  
15 agent on behalf of a gambling interest to  
16 contribute money or a thing of value to a candidate  
17 for nomination or election to public office in this  
18 state, or to a political action committee,  
19 committee of any political party in this state, or  
20 a group, committee, or association organized in  
21 support of a proposition, candidate, political  
22 party, or a political action committee.

23 This bill would provide that it shall be  
24 unlawful for an individual acting on behalf of a  
25 principal campaign committee or a political action  
26 committee to knowingly accept a contribution from a  
27 gambling interest.

1                   This bill would provide exceptions.

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

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

22  
23                                   A BILL  
24                                   TO BE ENTITLED  
25                                   AN ACT  
26

1           To add Section 17-5-15.2 to Chapter 5, Title 17 of  
2 the Code of Alabama 1975, to provide that it shall be unlawful  
3 for a gambling interest or a person or agent on behalf of a  
4 gambling interest to contribute money or a thing of value to a  
5 candidate for nomination or election to public office in this  
6 state, or to a political action committee, committee of any  
7 political party in this state, or a group, committee, or  
8 association organized in support of a proposition, candidate,  
9 political party, or a political action committee; to provide  
10 that it shall be unlawful for an individual acting on behalf  
11 of a principal campaign committee or a political action  
12 committee to knowingly accept a contribution from a gambling  
13 interest; to provide exceptions; and in connection therewith  
14 would have as its purpose or effect the requirement of a new  
15 or increased expenditure of local funds within the meaning of  
16 Amendment 621 of the Constitution of Alabama of 1901, now  
17 appearing as Section 111.05 of the Official Recompilation of  
18 the Constitution of Alabama of 1901, as amended.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20           Section 1. Section 17-5-15.2 is added to Chapter 5,  
21 Title 17 of the Code of Alabama 1975, to read as follows:

22           §17-5-15.2.

23           (a) For purposes of this section only, the following  
24 terms shall have the following meanings:

25           (1) GAMBLE or GAMBLING. A person gambles or engages  
26 in gambling if he or she stakes or risks something of value  
27 upon the outcome of a contest of chance or a future contingent

1 event not under his or her control or influence, upon an  
2 agreement or understanding that he or she or someone else will  
3 receive something of value in the event of a certain outcome.  
4 Gambling does not include bona fide business transactions  
5 valid under the law of contracts, including contracts for the  
6 purchase or sale at a future date of securities or  
7 commodities, and agreements to compensate for loss caused by  
8 the happening of chance, including, but not limited to,  
9 contracts of indemnity or guaranty and life, health or  
10 accident insurance.

11 (2) GAMBLING DEVICE. Any machine or mechanical  
12 device designed and manufactured, or put into operation,  
13 primarily for use in connection with gambling, including a  
14 slot machine, and which when operated may deliver, as the  
15 result of the application of an element of chance, any money  
16 or property, or by the operation of which a person may become  
17 entitled to receive, as the result of the application of an  
18 element of chance, any money or property; as well as any  
19 subassembly or essential part intended to be used in  
20 connection with any such machine or mechanical device, but  
21 which is not attached to any such machine or mechanical device  
22 as a constituent part.

23 (3) GAMBLING ENTERPRISE. A business or other  
24 activity or undertaking organized by one or more persons for  
25 the purpose of generating income through the offering of  
26 gambling devices for use by patrons to engage in gambling or

1 through offering or conducting other games or contests of  
2 chance in which patrons participate by gambling.

3 (4)a. GAMBLING INTEREST. Any person who derives  
4 income, or who has derived any income within five years of the  
5 date of the contribution, from any of the following  
6 activities:

7 1. The manufacture, distribution, supply, sale, or  
8 leasing of gambling devices.

9 2. The conduct, financing, managing, supervising,  
10 directing, owning, or operating all or part of a gambling  
11 enterprise.

12 3. The ownership or substantial proprietary control  
13 or other authoritative control over premises being used with  
14 the person's knowledge or consent by a gambling enterprise.

15 4. Any other activity from which the person receives  
16 income based on a percentage of the receipts or profits of a  
17 gambling enterprise.

18 b. Notwithstanding the foregoing, an individual is  
19 considered a gambling interest only if the individual or the  
20 individual's spouse is an owner, partner, member, manager,  
21 officer, director, trustee, senior management level employee,  
22 or holder of more than one percent of the fair market value of  
23 a gambling interest.

24 (5) PERSON. An individual, corporation, business  
25 trust, estate, trust, partnership, limited liability company,  
26 association, joint venture, or any other legal or commercial  
27 entity.

1           (b) Except as provided in subsection (d), it shall  
2 be unlawful for a gambling interest or an agent of the  
3 gambling interest to make a contribution, directly or  
4 indirectly, to a candidate, the principal campaign committee  
5 of a candidate, or a political action committee which makes a  
6 contribution to one or more candidates.

7           (c) Except as provided in subsection (d), it shall  
8 be unlawful for an individual acting on behalf of a principal  
9 campaign committee or a political action committee to  
10 knowingly accept a contribution from a gambling interest. For  
11 purposes of this subsection, a contribution is not accepted if  
12 it is refunded or returned in full within 10 days of receipt.

13           (d) This section does not prohibit a contribution by  
14 any candidate to his own principle campaign committee.

15           (e) Notwithstanding the penalties provided by  
16 Section 17-5-19, a person, or any individual acting on the  
17 person's behalf, who makes or accepts a contribution in  
18 violation of subsection (b) or (c) shall be guilty, upon  
19 conviction, of a Class C felony.

20           (f) If a candidate, principle campaign committee,  
21 political action committee, or other person required to file  
22 reports under this chapter is notified by the Secretary of  
23 State or the Attorney General that a contribution to the  
24 candidate, committee, or person was made in violation of this  
25 section, the contribution shall escheat to the state. Any  
26 contribution, or an amount equal to the contribution, shall be  
27 paid over to the state by the recipient candidate, committee,

1 or other person required to file reports within 10 business  
2 days after the recipient candidate, committee, or person  
3 required to file reports is notified that the contribution was  
4 made by a person prohibited by this section from making the  
5 contribution.

6 Section 2. Although this bill would have as its  
7 purpose or effect the requirement of a new or increased  
8 expenditure of local funds, the bill is excluded from further  
9 requirements and application under Amendment 621, now  
10 appearing as Section 111.05 of the Official Recompilation of  
11 the Constitution of Alabama of 1901, as amended, because the  
12 bill defines a new crime or amends the definition of an  
13 existing crime.

14 Section 3. This act shall become effective  
15 immediately following its passage and approval by the  
16 Governor, or its otherwise becoming law.