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Governor Michael J. Dunleavy
STATE OF ALASKA

February 11, 2020

The Honorable Cathy Giessel
Senate President
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill creating the Alaska Lottery Corporation as a new public corporation of the state.

The bill creates the Alaska Lottery Corporation to establish and operate lottery games in the state and to participate in multi-state lotteries operated in conjunction with other lottery authorities. Forty-five states, plus the District of Columbia, currently have some form of state lottery. State lotteries have evolved significantly since the earliest states began to create state-owned organizations to operate and regulate the sale of traditional lottery and raffle tickets. More recently, state-owned organizations have begun to regulate electronic and video lottery terminals. Currently, Alaska allows charitable and certain gaming activities and collects taxes on cruise ship gaming, activities regulated by the Department of Revenue. The establishment of the Alaska Lottery Corporation will not change or further regulate these gaming activities.

Aside from creating a pathway that could lead to new business opportunities, the purpose of the bill is to generate new revenues for the State. The bill proposes to allow the net profits generated from lottery activities in the state to be made available for appropriation for Kindergarten through Grade 12 education and to support public health and welfare programs, including those for domestic violence prevention, drug abuse prevention, foster care, and homelessness.

In an era of declining state revenues, it is imperative for Alaska to consider new ways of funding government services that satisfy the public health and welfare needs of our citizens. Establishing the Alaska Lottery Corporation as a means to generate new revenues for the state will be one step in this direction. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy".

Mike Dunleavy
Governor

Enclosure