

SENATE CS FOR CS FOR HOUSE BILL NO. 44(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/6/95

Referred: Rules

Sponsor(s): REPRESENTATIVES MARTIN, Rokeberg, Porter, Bunde, Ogan

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reporting by permittees, licensees, and vendors; relating to
2 municipal regulation of charitable gaming; providing that a political group is not
3 a qualified organization for purposes of charitable gaming, other than raffles, and
4 relating to those raffles; relating to identification to the public of each permittee
5 that will benefit from the sale of each pull-tab series and each bingo session;
6 providing that the proceeds from charitable gaming, other than certain raffles
7 conducted by a political organization, may not be contributed to a political party
8 or other political group; and providing for an effective date."

9 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

10 * **Section 1.** AS 05.15.060(a) is amended to read:

11 (a) The department shall adopt regulations under AS 44.62 (Administrative
12 Procedure Act) necessary to carry out this chapter covering, but not limited to,

13 (1) the issuance, renewal, and revocation of permits, licenses, and

1 vendor registrations;

2 (2) a method of ascertaining net proceeds, the determination of items
3 of expense that may be incurred or paid, and the limitation of the amount of the items
4 of expense to prevent the proceeds from the activity permitted from being diverted to
5 noncharitable, noneducational, nonreligious, or profit-making organizations, individuals,
6 or groups;

7 (3) the immediate revocation of permits, licenses, and vendor
8 registrations authorized under this chapter if this chapter or regulations adopted under
9 it are violated;

10 (4) the requiring of detailed, sworn, financial reports of operations from
11 permittees and licensees including detailed statements of receipts and payments;

12 (5) the investigation of permittees, licensees, registered vendors, and
13 their employees, including the fingerprinting of those permittees, licensees, registered
14 vendors, and employees whom the department considers it advisable to fingerprint;

15 (6) the method and manner of conducting authorized activities and
16 awarding of prizes or awards, and the equipment that may be used;

17 (7) the number of activities that may be held, operated, or conducted
18 under a permit during a specified period; however, the department may not allow more
19 than 14 bingo sessions a month and 35 bingo games a session to be conducted under
20 a permit; the holders of a multiple-beneficiary permit under AS 05.15.100(d) may hold,
21 operate, or conduct the number of sessions and games a month equal to the number
22 allowed an individual permittee per month multiplied by the number of holders of the
23 multiple-beneficiary permit;

24 (8) a method of accounting for receipts and disbursements by operators,
25 including the keeping of records and requirements for the deposit of all receipts in a
26 bank;

27 (9) the disposition of funds in possession of a permittee, a person,
28 municipality, or qualified organization that possesses an operator's license, or a
29 registered vendor at the time a permit, a license, or a vendor registration is
30 surrendered, revoked, or invalidated;

31 (10) restrictions on the participation by employees of the Department

1 of Fish and Game in salmon classics; and in king salmon classics, and by employees
2 of Douglas Island Pink and Chum in king salmon classics;

3 (11) the requiring of reports of donations or contributions in excess
4 of \$100 in the aggregate a year by permittees to a political candidate; reports
5 must include all donations or contributions made from the last date covered by
6 any previous report to three days before the due date of the report and shall be
7 made at the following times: (A) 30 days before an election involving the
8 candidate; (B) one week before an election involving the candidate; (C) 10 days
9 after an election involving the candidate; and (D) February 15 for donations and
10 contributions made that were not reported during the previous year; the
11 department shall, for a period of time set by the department, suspend or revoke
12 the permit of a permittee that fails to report at the times and in the manner
13 provided in this paragraph;

14 (12) the identification of all financial accounts of the permittee into
15 which charitable gaming proceeds are deposited or transferred and providing for
16 examination by the department of those accounts to ensure that proceeds are not
17 diverted or transferred to any purpose or use not permitted by this chapter;

18 (13) a requirement that a permittee, licensee, or vendor that
19 donates or contributes the proceeds of charitable gaming to a candidate must
20 inform the candidate that the donation or contribution is a proceed of charitable
21 gaming;

22 (14) other matters the department considers necessary to carry out this
23 chapter or protect the best interest of the public.

24 * Sec. 2. AS 05.15.100 is amended by adding a new subsection to read:

25 (e) The department may issue a permit to a political organization for activities
26 conducted under AS 05.15.155. A permit issued under this subsection gives the
27 political organization the privilege of conducting raffles but no other forms of
28 charitable gaming. A political organization receiving a permit under this subsection
29 must satisfy all the requirements of this chapter relating to permittees. A political
30 organization may not hold or otherwise participate in a multiple-beneficiary permit.

31 * Sec. 3. AS 05.15.115 is amended by adding a new subsection to read:

(e) A political organization holding a permit to conduct raffles under AS 05.15.100(e) may not enter into a contract with an operator to conduct, on behalf of the political organization, the raffles permitted under the authority of the permit.

* **Sec. 4.** AS 05.15.124 is amended to read:

Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS, [OR] VENDORS, AND MULTIPLE-BENEFICIARY CHARITABLE GAMING. A municipality may by ordinance prohibit activities under this chapter from being conducted within the municipality

(1) by an operator or a vendor; or

(2) under a multiple-beneficiary permit [FROM CONDUCTING ACTIVITIES UNDER THIS CHAPTER WITHIN THE MUNICIPALITY].

* **Sec. 5.** AS 05.15.124 is amended by adding a new subsection to read:

(b) A municipality may not prohibit activities from being conducted

(1) under a multiple-beneficiary permit unless it also prohibits activities from being conducted by an operator;

(2) by an operator unless it also prohibits activities from being conducted under a multiple-beneficiary permit.

* **Sec. 6.** AS 05.15.150(a) is amended to read:

(a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the charitable gaming activity to the awarding of prizes to contestants or participants and to political, educational, civic, public, charitable, patriotic, or religious uses in the state. "Political, educational, civic, public, charitable, patriotic, or religious uses" means uses benefiting persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life, or by providing for the promotion of the welfare and well-being of the membership of the organization within their own community, or through aiding candidates for public office [OR GROUPS THAT SUPPORT CANDIDATES FOR PUBLIC OFFICE,] or by erecting or maintaining public buildings or works, or lessening the burden on government, but does not include

(1) the direct or indirect

1 (A) payment of any portion of the net proceeds of a bingo or
2 pull-tab game to a lobbyist registered under AS 24.45;

3 (B) contribution of any portion of the net proceeds of a
4 charitable gaming activity to

5 (i) a political party as defined under AS 15.60;

6 (ii) an organization or club organized under or
7 formally affiliated with a political party;

8 (iii) a political group as defined under AS 15.60;

9 (iv) a group as defined under AS 15.13.130, including
10 a group that seeks to influence the opinions of voters concerning the
11 election of a candidate for public office, a constitutional
12 amendment, an initiative, or another ballot measure; or

13 (v) a campaign committee of a candidate for public
14 office whether the contribution is received by the campaign
15 committee or the candidate on behalf of the campaign committee;

16 or

17 (2) the erection, acquisition, improvement, maintenance, or repair of
18 real, personal, or mixed property unless it is used exclusively for one or more of the
19 permitted uses.

20 * Sec. 7. AS 05.15.150 is amended by adding a new subsection to read:

21 (c) For the purposes of (a)(1)(B) of this section, a contribution to a candidate
22 for public office is an indirect contribution to an entity described in (a)(1)(B) of this
23 section if the candidate gives the contribution to an entity described in (a)(1)(B) of this
24 section and the contributor knew or should have known that the candidate would give
25 the contribution to the entity.

26 * Sec. 8. AS 05.15 is amended by adding a new section to read:

27 Sec. 05.15.155. POLITICAL ORGANIZATION RAFFLES. A political
28 organization that holds a permit under AS 05.15.100(e) may conduct raffles. The
29 authority to conduct the raffles under this section is contingent upon the dedication of
30 the net proceeds of the raffles to political, educational, civic, public, charitable,
31 patriotic, or religious uses in the state, and to the awarding of prizes to contestants or

1 participants. "Political, educational, civic, public, charitable, patriotic, or religious
2 uses" means those uses described in AS 05.15.150(a), but is not limited by
3 AS 05.15.150(a)(1)(B) and (c) and includes aiding groups that support candidates for
4 public office or political organizations. The net proceeds derived from raffles under
5 this subsection must be devoted within one year to one or more of the uses described
6 in this section. A political organization desiring to hold the net proceeds for a period
7 longer than one year must apply to the department for special permission and upon
8 good cause shown the department may grant the request.

9 * **Sec. 9.** AS 05.15.180(f) is amended to read:

10 (f) A person under the age of 19 years may not play a bingo game. **Before**
11 **a bingo session begins, the identity of each permittee that will benefit from that**
12 **session shall be announced to the public.**

13 * **Sec. 10.** AS 05.15.187 is amended by adding a new subsection to read:

14 (j) Prior to the sale of any pull-tab games, operators, vendors and permittees
15 shall clearly identify to the public the permittee that will benefit from the sale of that
16 pull-tab series. Such notice shall be posted so that it is clearly visibly in a location in
17 close proximity to where the sale of pull-tabs occurs.

18 * **Sec. 11.** AS 05.15 is amended by adding a new section to article 4 to read:

19 Sec. 05.15.670. REPORTS PUBLIC RECORDS. All reports of permittees,
20 licensees, and vendors under this chapter are public records.

21 * **Sec. 12.** AS 05.15.690(32) is amended to read:

22 (32) "political organization" means an organization or club organized
23 under or formally affiliated with a political party as defined in AS 15.60.010, **that**
24 **operates without profits to its members, and that has been in existence for a**
25 **period of three years immediately before applying for a license; the organization**
26 **may be a firm, corporation, company, association, or partnership;**

27 * **Sec. 13.** AS 05.15.690(34) is amended to read:

28 (34) "qualified organization" means a bona fide civic or service
29 organization or a bona fide religious, charitable, fraternal, veterans, labor,
30 [POLITICAL,] or educational organization, police or fire department and company,
31 dog mushers' association, outboard motor association, or fishing derby or nonprofit

1 trade association in the state, that operates without profits to its members and that has
2 been in existence continually for a period of three years immediately before applying
3 for a license; the organization may be a firm, corporation, company, association, or
4 partnership;

5 * **Sec. 14.** AS 09.25.100 is amended to read:

6 Sec. 09.25.100. DISPOSITION OF TAX INFORMATION. **Except as**
7 **provided in (b) of this section, information** [INFORMATION] in the possession of
8 the Department of Revenue that discloses the particulars of the business or affairs of
9 a taxpayer or other person is not a matter of public record, except for purposes of
10 investigation and law enforcement. The information shall be kept confidential except
11 when its production is required in an official investigation or court proceeding. These
12 restrictions do not prohibit the publication of statistics presented in a manner that
13 prevents the identification of particular reports and items, or prohibit the publication
14 of tax lists showing the names of taxpayers who are delinquent and relevant
15 information that may assist in the collection of delinquent taxes.

16 * **Sec. 15.** AS 09.25.100 is amended by adding a new subsection to read:

17 (b) This section does not apply to information received by the Department of
18 Revenue from reporting by permittees, licensees, and vendors under AS 05.15.

19 * **Sec. 16.** This Act takes effect January 1, 1996.