



*With Spirit and Strength*

February 23, 2026

The Honorable Members of the Alaska State Legislature:

On behalf of the Aleutian Pribilof Islands Association, Inc., a licensed Multiple Beneficiary Permit (MBP) charitable gaming organization, we are writing to express our strong support for Senate Bill 170 (SB 170), along with several recommended enhancements that would strengthen the bill and better support charitable gaming statewide.

Charitable gaming is a vital funding source for nonprofit organizations across Alaska. Revenue from pull-tabs and bingo supports youth sports, scholarships, veterans' programs, senior services, community events, and essential local initiatives. These programs significantly ease the burden on government by providing services and financial support that might otherwise require public funding. The purpose of charitable gaming is to maximize proceeds to charities and reinvest those dollars directly back into the communities they serve.

Over the past five years, the cost of paper gaming products has increased dramatically. Paper pull-tabs, bingo paper, ink, freight, rent, labor, utilities, and compliance costs have all risen sharply due to inflation and supply chain pressures. While a normal business could simply increase the price of its product to reflect inflation — like raising the price of a \$1 burger to \$2 — charitable gaming does not function that way.

We cannot simply change the price of a \$1 pull-tab to \$2 while keeping the same \$1 payout structure. No player would reasonably participate in a game where the cost doubles but the prize structure remains the same. Pull-tab pricing and payout structures are tightly regulated and interconnected. Without statutory flexibility to adjust denominations and prize limits together, we are unable to respond to economic realities the way other businesses can.

Currently:

- We cannot raise the price of a \$1 pull-tab.
- We are limited to \$2 denominations and cannot offer higher-priced options.
- The maximum payout per ticket remains capped at \$500 — a limit unchanged in over 20 years.
- Total payouts are capped per charity under statute.

While a \$2 million payout cap per MBP charity may sound substantial, today's operating costs consume a far greater share of revenue than when these limits were established. Increasing volume is not a realistic solution because we operate within statutory caps. As costs rise and flexibility remains limited, charitable margins continue to shrink.

SB 170 provides a responsible modernization pathway, particularly through electronic pull-tab systems that can reduce paper dependency and improve operational efficiency. However, we respectfully suggest the following additional updates to ensure the bill benefits the entire charitable gaming industry — not just the largest operators:

- Allow \$5 pull-tab denominations.
- Increase the maximum payout per pull-tab ticket to \$1,000.
- Establish a balanced promotional giveaway cap of \$30,000 per month.

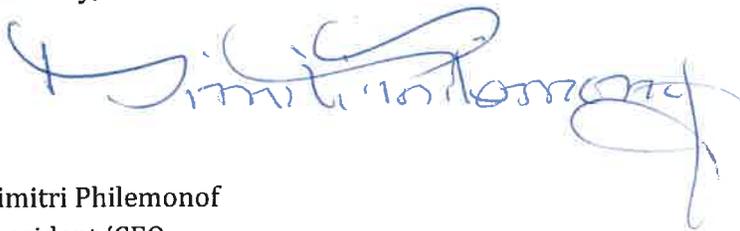
We agree that a \$20,000 monthly promotional cap may be too restrictive in today's market. However, a \$50,000 cap is excessive and risks encouraging another promotional escalation cycle similar to what occurred in the past — a promotional war that reduced charitable proceeds and benefited very few. A \$30,000 cap represents a reasonable middle ground that allows meaningful promotions while protecting smaller operators and preserving funds for charitable distribution.

These recommended adjustments follow the proven Minnesota charitable gaming model, which has been successfully operating for a number of years with higher denominations and increased prize limits while maintaining strong regulatory oversight. Minnesota's experience demonstrates that modernization, responsible prize flexibility, and industry stability can coexist and ultimately strengthen charitable returns to communities.

Our objective is sustainability, fairness, and maximizing revenue to charities across Alaska. Modernization should ensure that organizations of all sizes can continue operating and supporting their communities.

We respectfully urge your support of SB 170 and thoughtful consideration of these balanced enhancements to ensure charitable gaming remains strong, competitive, and focused on its mission.

Sincerely,



Dimitri Philemonof  
President/CEO