

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version: HB 386  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB386-DOT-MVO-4-15-2026  
Title: GAMING; ELECTRONIC PULL-TABS  
Sponsor: LABOR & COMMERCE  
Requester: House Labor & Commerce

Department: Department of Transportation and Public Facilities  
Appropriation: Marine Highway System  
Allocation: Marine Vessel Operations  
OMB Component Number: 2604

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2027 Request	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>OPERATING EXPENDITURES</b>	<b>FY 2027</b>	<b>FY 2027</b>					
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	***	<b>0.0</b>	***	***	***	***	***

**Fund Source (Operating Only)**

None							
<b>Total</b>	***	<b>0.0</b>	***	***	***	***	***

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None	***		***	***	***	***	***
<b>Total</b>	***	<b>0.0</b>	***	***	***	***	***

**Estimated SUPPLEMENTAL (FY2026) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2027) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** no  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Initial version, not applicable

Prepared By: <u>Andy Mills, Legislative Liaison</u>	Phone: <u>(907)465-3900</u>
Division: <u>Commissioner's Office</u>	Date: <u>04/15/2026 01:00 PM</u>
Approved By: <u>Dom Pannone, Director of Program Management and Administration</u>	Date: <u>04/15/26</u>
Agency: <u>Department of Transportation and Public Facilities</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2026 LEGISLATIVE SESSION

BILL NO. HB 386

### Analysis

This legislation authorizes gaming activities on Alaska Marine Highway System (AMHS) vessels and allows the Department of Transportation and Public Facilities (DOT&PF), on behalf of AMHS, to operate as a qualified organization under charitable gaming statutes. The bill establishes a permitting structure, including a \$10,000 annual permit fee per vessel, and imposes a 10 percent tax on gross gaming receipts. Gaming would be limited to designated vessel areas, restricted to individuals 21 years of age or older, and may occur only within three nautical miles of the Alaska coastline. Revenues generated would be deposited into the Alaska Marine Highway System Fund.

Implementation would require substantial planning, coordination, and administrative development prior to any revenue realization. The department would need to establish internal policies and controls, coordinate with the Department of Revenue on permitting and compliance, evaluate vessel-specific feasibility, and develop procurement and contracting approaches for operators or vendors. Electronic gaming would require a contractor or entity with 3 years' experience under the current language. Additional work would include establishing accounting and reporting systems and training staff in compliance, and on board oversight.

These efforts would likely require both staff time and contractual support. Without additional funding, responsibilities would need to be absorbed within existing resources, potentially impacting current program delivery. Ongoing responsibilities may include compliance monitoring, financial management, communications, and security measures. Total implementation and operating costs are indeterminate and dependent on program design and scale.

Operational impacts would vary by vessel and route. Designating gaming areas may reduce or repurpose passenger space and require additional coordination with vessel crews. The three-nautical-mile restriction introduces operational complexity, requiring procedures to determine when gaming may occur and ensuring compliance during route transitions. On some routes, this limitation may constrain feasibility or reduce revenue potential.

The bill creates a new potential revenue stream for AMHS through gaming proceeds, permit fees, and a 10 percent tax on gross receipts, all directed to the Alaska Marine Highway System Fund. Revenue potential is uncertain and will depend on passenger demand, route characteristics, and the scale of gaming operations. Net fiscal benefit will depend on whether revenues exceed implementation and operating costs.

Potential benefits include diversification of AMHS revenue sources, creation of a dedicated funding stream, and enhanced onboard amenities, particularly on longer routes. If implemented effectively, the program may increase onboard spending and support financial sustainability.

Key considerations include uncertainty of net revenue, administrative and compliance burden, potential impacts to vessel operations and passenger experience, and public perception concerns. Implementation feasibility may vary across vessels and routes, limiting system-wide applicability.

This legislation provides authority for AMHS to conduct gaming activities and establish a dedicated revenue mechanism; however, implementation would require significant planning and coordination. The fiscal impact is indeterminate and dependent on program design and realized revenue relative to costs. Without additional funding, implementation may affect existing DOT&PF program delivery.

This analysis outlines the options the legislation creates, however the indeterminate costs and potential revenue would require additional analysis by AMHS staff and gaming expertise in the future to implement these gaming options.