

**HOUSE BILL NO. 197**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE SUMNER BY REQUEST

Introduced: 5/8/23

Referred: Transportation, Labor and Commerce, Judiciary, State Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to gaming activities on Alaska marine highway system vessels; and**  
2   **providing for an effective date."**

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

4    \* **Section 1.** AS 05.15.020 is amended by adding a new subsection to read:

5                   (d) The annual permit fee to conduct gaming activities on a vessel of the  
6                   Alaska marine highway system is \$10,000.

7    \* **Sec. 2.** AS 05.15.060(a) is amended to read:

8                   (a) The department shall adopt regulations under AS 44.62 (Administrative  
9                   Procedure Act) necessary to carry out this chapter covering [, BUT NOT LIMITED  
10                  TO,]

11                         (1) the issuance, renewal, and revocation of permits, licenses, and  
12                         vendor registrations;

13                         (2) a method of ascertaining net proceeds, the determination of items  
14                         of expense that may be incurred or paid, and the limitation of the amount of the items

1 of expense to prevent the proceeds from the activity permitted from being diverted to  
 2 noncharitable, noneducational, nonreligious, or profit-making organizations,  
 3 individuals, or groups;

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

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

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

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

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

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

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

28 (10) restrictions on the participation by employees of the Department  
 29 of Fish and Game in salmon classics, king salmon classics, and big bull moose  
 30 derbies, and by employees of Douglas Island Pink and Chum in king salmon classics;

31 (11) establishment of standards for online ticket sales under

AS 05.15.640(d) to ensure compliance with charitable gaming laws, including age and location verification requirements;

**(12) gaming activities on vessels of the Alaska marine highway system;**

**(13)** [(12)] other matters the department considers necessary to carry out this chapter or protect the best interest of the public.

\* **Sec. 3.** AS 05.15 is amended by adding new sections to read:

**Article 2A. Gaming on Alaska marine highway system vessels.**

**Sec. 05.15.300. Gaming on a vessel; tax; records.** (a) Notwithstanding AS 05.15.180 and AS 11.66.200 - 11.66.280, a person may conduct gaming activities on a vessel if

(1) the person is issued a permit by the department under AS 05.15.310 for the gaming activities being conducted;

(2) the gaming activities are conducted only

(A) when a vessel is at least three nautical miles away from shore; and

(B) in designated areas, which may not include dining areas, areas primarily designated for children, and passenger cabins; and

(3) participation in gaming activities is limited to a person who is 21 years of age or older.

(b) A person operating gaming activities under this section shall pay to the department a tax equal to 10 percent of the gross receipts less prizes awarded on gaming activities. The person shall pay to the department the tax collected in the preceding month by the 15th day of the following month.

(c) A person conducting a gaming activity on a vessel shall maintain records of all gaming transactions and make the records available to the department for inspection.

(d) The department may not issue more than one permit for a vessel. A person may conduct more than one type of gaming activity on a vessel and may conduct gaming activities on more than one vessel if the person holds a permit for each vessel.

**Sec. 05.15.310. Permits.** Notwithstanding AS 05.15.120, the department may

1 issue a permit to conduct gaming activities on a vessel to a qualified organization or a  
2 business that is registered and in good standing with the Department of Commerce,  
3 Community, and Economic Development and that has entered into a contract with a  
4 qualified organization to operate gaming activities on behalf of the qualified  
5 organization.

6 **Sec. 05.15.320. Penalty.** A person who conducts a gaming activity onboard a  
7 vessel without a valid permit issued under AS 05.15.310 or a person who conducts or  
8 participates in gaming activities onboard a vessel that violates AS 05.15.300 -  
9 05.15.330 or a regulation adopted under AS 05.15.300 - 05.15.330 is guilty of a class  
10 B misdemeanor.

11 **Sec. 05.15.330. Definitions.** In AS 05.15.300 - 05.15.330,

12 (1) "gaming activity" means bingo, pull-tab activities, raffles, lotteries,  
13 card games, dice games, slot machines, video lottery terminals, or other games of  
14 chance authorized by the department;

15 (2) "vessel" means a vessel of the Alaska marine highway system.

16 \* **Sec. 4.** This Act takes effect July 1, 2023.