

SENATE BILL NO. 146

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 5/10/23

Referred: Labor & Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to pull-tabs; relating to persons prohibited from involvement in
2 gaming; and relating to the duties of the Department of Revenue."

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

4 * **Section 1.** AS 05.15.070 is amended to read:

5 **Sec. 05.15.070. Examination of books and records.** The department may
6 examine or have examined the books and records of a permittee, an operator, a
7 registered vendor, or a person licensed to manufacture or to distribute pull-tab games
8 or electronic pull-tab systems in the state. The department may issue subpoenas for
9 the attendance of witnesses and the production of books, records, and other
10 documents.

11 * **Sec. 2.** AS 05.15.180(a) is amended to read:

12 (a) Unless expressly authorized by the department, this [THIS] chapter
13 does not authorize the use of playing cards, dice, roulette wheels, coin-operated
14 instruments or machines, or other objects or instruments used, designed, or intended

1 primarily for gaming or gambling, or any other method or implement [NOT
2 EXPRESSLY AUTHORIZED BY THE DEPARTMENT].

3 * **Sec. 3.** AS 05.15.180(b) is amended to read:

4 (b) With the exception of raffles, lotteries, bingo games, pull-tab games,
5 **electronic pull-tab systems**, freeze-up classics, race classics, rain classics, goose
6 classics, mercury classics, deep freeze classics, dog mushers' contests, snow classics,
7 snow machine classics, canned salmon classics, salmon classics, animal classics, crane
8 classics, cabbage classics, Calcutta pools, big bull moose derbies, and king salmon
9 classics, a permit may not be issued for an activity under this chapter unless it existed
10 in the state in substantially the same form and was conducted in substantially the same
11 manner before January 1, 1959. A permit may not be issued for a snow machine
12 classic under this chapter unless it has been in existence for at least five years before
13 the permit is issued. A permit may not be issued for an animal classic under this
14 chapter unless it was in existence before November 1, 2002.

15 * **Sec. 4.** AS 05.15.180(g) is amended to read:

16 (g) A municipality or a qualified organization may award a maximum of
17 \$2,000,000 in prizes each year in activities authorized under this chapter; however, if a
18 municipality or a qualified organization contracts with an operator to conduct on its
19 behalf activities authorized under this chapter, the municipality or qualified
20 organization may award a maximum of **\$2,000,000** [\$500,000] in prizes each year **in**
21 **electronic pull-tab activities and a maximum of \$1,000,000 in prizes each year in**
22 **all other activities authorized under this chapter**. A municipality or a qualified
23 organization that conducts a contest of skill and awards more than \$1,000,000 in
24 prizes to the participants in that contest of skill may exclude \$1,000,000 in prizes
25 awarded to those participants from the \$2,000,000 maximum allowed in this
26 subsection. The holders of a multiple-beneficiary permit under AS 05.15.100(d) may
27 award a maximum in prizes each year of \$2,000,000 times the number of holders of
28 the permit for activities authorized under this chapter. In this subsection, "activities
29 authorized under this chapter" means all activities subject to this chapter other than
30 bingo.

31 * **Sec. 5.** AS 05.15.181(a) is amended to read:

(a) A person may not manufacture pull-tabs or electronic pull-tab systems in the state, and may not sell or distribute a pull-tab or electronic pull-tab system that the person has manufactured outside of the state to persons in the state, unless the person has received a pull-tab manufacturer's license issued by the department.

* **Sec. 6.** AS 05.15.181(c) is amended to read:

(c) Each series of pull-tabs manufactured in the state must have a serial number and be sealed or encrypted in a manner [AND HAVE A SERIAL NUMBER LABEL ISSUED BY THE NATIONAL ASSOCIATION OF FUNDRAISING TICKET MANUFACTURERS OR OTHER SERIAL NUMBER LABEL] approved by the department.

* **Sec. 7.** AS 05.15.181(d) is amended to read:

(d) A pull-tab manufacturer may distribute pull-tabs and electronic pull-tab systems only to a licensed pull-tab distributor unless the pull-tab manufacturer is also a licensed pull-tab distributor.

* **Sec. 8.** AS 05.15.181 is amended by adding a new subsection to read:

(f) A licensed pull-tab manufacturer may not manufacture an electronic pull-tab system unless the department has issued a separate electronic pull-tab endorsement to the manufacturer's license. A pull-tab manufacturer licensed in the state who manufactures electronic pull-tab systems for distribution in the state shall

(1) submit, at the manufacturer's expense, the electronic pull-tab systems to an independent gaming testing laboratory for testing and certification before distribution;

(2) install a central server for the electronic pull-tab systems in a secure location in the state that is accessible by the department; in this paragraph, "central server" means a pull-tab manufacturer's computer equipment that houses the operating system, supporting hardware, electronic gaming application software, communications network system, and databases for electronic pull-tab operations and stores and manages electronic pull-tab data between electronic gaming locations.

(g) A pull-tab manufacturer may not distribute an electronic pull-tab system in the state unless

(1) the system is certified by an independent gaming testing laboratory

1 under (f)(1) of this section as meeting the technical specifications adopted by the
2 department; and

3 (2) the system is approved by the department.

4 (h) A device used to play electronic pull-tabs must be incorporated into an
5 electronic pull-tab system and cannot be used for personal communication or
6 connected to an unsecured or publically accessible communication network.

7 (i) The department may not issue a pull-tab manufacturer license to a person
8 who is otherwise barred from involvement under AS 05.15.105.

9 (j) For the purposes of this section, "manufacture" includes the development,
10 creation, and programing of any electronic device, hardware, software, or computer
11 systems used in the operation of a pull-tab or electronic pull-tab system.

12 * **Sec. 9.** AS 05.15.183(a) is amended to read:

13 (a) A person may not distribute pull-tab games or electronic pull-tab systems
14 unless the person has received a pull-tab distributor's license issued by the department.

15 * **Sec. 10.** AS 05.15.183(c) is amended to read:

16 (c) Pull-tabs or electronic pull-tab systems may be distributed only from a
17 location in the state. A person may not distribute pull-tabs or electronic pull-tab
18 systems directly to another person in the state from a location outside of this state.

19 * **Sec. 11.** AS 05.15.183(e) is amended to read:

20 (e) A distributor may not

21 (1) take an order for the purchase of a pull-tab series from a vendor;

22 (2) sell a pull-tab series to a vendor; or

23 (3) deliver a pull-tab series to a vendor, except that an electronic
24 pull-tab series may be delivered to a computer server at a vendor's location on
25 behalf of a permittee authorized to conduct pull-tab sales at the vendor's
26 location.

27 * **Sec. 12.** AS 05.15.183 is amended by adding new subsections to read:

28 (f) A licensed distributor may not distribute an electronic pull-tab system in
29 the state unless the department has issued a separate electronic pull-tab endorsement to
30 the distributor's license.

31 (g) The department may not issue a pull-tab distributor license to a person

1 who is otherwise barred from involvement under AS 05.15.105.

2 * **Sec. 13.** AS 05.15.185 is amended to read:

3 **Sec. 05.15.185. Distribution of pull-tab games.** Each series of pull-tabs
 4 distributed in the state must have a serial number and be sealed or encrypted in a
 5 manner [AND HAVE A SERIAL NUMBER LABEL ISSUED BY THE
 6 NATIONAL ASSOCIATION OF FUNDRAISING TICKET MANUFACTURERS
 7 OR OTHER SERIAL NUMBER LABEL] approved by the department and may be
 8 distributed only to

9 (1) a municipality or a qualified organization that has obtained a
 10 permit issued under this chapter;

11 (2) an operator on behalf of an authorizing permittee; or

12 (3) a distributor licensed under this chapter.

13 * **Sec. 14.** AS 05.15.185 is amended by adding new subsections to read:

14 (b) An electronic pull-tab series distributed in the state must

15 (1) have a predetermined and finite number of winning and non-
 16 winning tickets;

17 (2) have a predetermined prize amount and structure; and

18 (3) have a unique serial number that is not regenerated.

19 (c) An electronic pull-tab series distributed in the state may not

20 (1) exceed 15,000 tickets;

21 (2) require additional consideration or award a prize associated with an
 22 extended play feature.

23 * **Sec. 15.** AS 05.15.187(e) is amended to read:

24 (e) Pull-tabs may not be sold to or accessed by a person under the age of 21
 25 years. A person under the age of 21 years may not purchase or redeem a pull-tab.

26 * **Sec. 16.** AS 05.15.187 is amended by adding new subsections to read:

27 (j) A vendor may not have more than five electronic pull-tab devices on the
 28 premises.

29 (k) An operator may not have more than 10 electronic pull-tab devices at a
 30 location.

31 (l) An electronic pull-tab device used to sell an electronic pull-tab series in the

1 state

2 (1) may only accept United States currency in paper form, purchased
3 credits, or a credit voucher;

4 (2) must reveal the numbers or series of the pull-tab on the device
5 similar to a paper pull-tab.

6 (3) may not display on the device spinning reels that mimic a slot
7 machine; and

8 (4) may not dispense anything of value other than a credit voucher.

9 (m) Within one electronic pull-tab series, each electronic pull-tab must be sold
10 for the same price.

11 * **Sec. 17.** AS 05.15.188(i) is amended to read:

12 (i) An amount equal to the ideal net less the compensation owed to the vendor
13 shall be paid by the vendor to the member-in-charge upon delivery of a pull-tab series
14 to the vendor for sale. The amount required to be paid by the vendor shall be paid by
15 check or electronic fund transfer and [THE CHECK MAY NOT BE DRAWN IN A
16 MANNER THAT] the payee must be [IS NOT] identified.

17 * **Sec. 18.** AS 05.15.188 is amended by adding a new subsection to read:

18 (l) The department may not register as a vendor a person who is otherwise
19 barred from involvement under AS 05.15.105.

20 * **Sec. 19.** AS 05.15.690(39) is amended to read:

21 (39) "pull-tab or pull-tab game" means a game of chance where a
22 card, or electronic representation of a card, the face of which is covered to conceal
23 a number, symbol, or set of symbols, is purchased by the participant and where a prize
24 is awarded for a card, or electronic representation of a card, containing certain
25 numbers or symbols designated in advance and at random;

26 * **Sec. 20.** AS 05.15.690(46) is amended to read:

27 (46) "series" means a unit of pull-tabs with the same serial number or
28 electronic pull-tabs that have a unique serial number;

29 * **Sec. 21.** AS 05.15.690 is amended by adding a new paragraph to read:

30 (51) "electronic pull-tab system" includes individual electronic pull-
31 tabs, electronic pull-tab devices, cabinet-style devices, and a computer or device,

- 1 including all related hardware and software, used to play or facilitate the play of an
- 2 electronic pull-tab series.