

HOUSE BILL NO. 163

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES HIMSCHOOT, Dibert, Groh, Gray, Coulombe, McCormick, Galvin, Sumner, Mina, Ruffridge, Mears, Tomaszewski, Carrick, Armstrong

Introduced: 4/14/23

Referred: Judiciary, State Affairs, Education

A BILL

FOR AN ACT ENTITLED

1 **"An Act creating the FAFSA raffle fund; relating to the definition of 'gambling'; and**
2 **providing for an effective date."**

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

4 * **Section 1.** AS 11.66.280(3) is amended to read:

5 (3) "gambling" means that a person stakes or risks something of value
6 upon the outcome of a contest of chance or a future contingent event not under the
7 person's control or influence, upon an agreement or understanding that that person or
8 someone else will receive something of value in the event of a certain outcome;
9 "gambling" does not include

10 (A) bona fide business transactions valid under the law of
11 contracts for the purchase or sale at a future date of securities or commodities
12 and agreements to compensate for loss caused by the happening of chance,
13 including contracts of indemnity or guaranty and life, health, or accident
14 insurance;

1 (B) playing an amusement device that

2 (i) confers only an immediate right of replay not
3 exchangeable for something of value other than the privilege of
4 immediate replay and does not contain a method or device by which the
5 privilege of immediate replay may be cancelled or revoked;

6 (ii) confers only tickets, credits, allowances, tokens, or
7 anything of value that can be redeemed for toys, candy, or electronic
8 novelties offered at the same facility where the amusement device is
9 located; or

10 (iii) allows a player to manipulate a claw machine or
11 similar device within an enclosure and enables a person to receive
12 merchandise directly from the machine;

13 (C) an activity authorized by the Department of Revenue under
14 AS 05.15; [OR]

15 (D) the permanent fund dividend raffle authorized under
16 AS 43.23.230; or

17 **(E) the FAFSA raffle authorized under AS 37.14.850;**

18 * **Sec. 2.** AS 37.14 is amended by adding a new section to read:

19 **Article 11. FAFSA Raffle Fund.**

20 **Sec. 37.14.850. FAFSA raffle fund; drawing.** (a) The FAFSA raffle fund is
21 established as an account in the general fund. The commissioner shall manage the
22 fund. Interest received on money in the fund shall be separately accounted for and
23 shall be appropriated to the fund. The fund consists of money appropriated to the fund
24 by the legislature. The commissioner shall use the fund, without further appropriation,
25 to pay for prizes awarded by the FAFSA raffle.

26 (b) A student may enter the FAFSA raffle by providing to the commissioner
27 proof, in the form or format required by the commissioner, that the student has
28 completed and submitted to the United States Department of Education a FAFSA in
29 the manner set out in the FAFSA. A student entering the raffle during a FAFSA filing
30 period is entitled to one entry into each monthly raffle held during the remaining
31 months of the filing period and one entry into the annual raffle that occurs at the end

1 of that filing period. A student who has completed and submitted a FAFSA in a
 2 previous FAFSA filing period may not enter the FAFSA raffle.

3 (c) At the beginning of each month that follows a month within the FAFSA
 4 filing period, the commissioner or the commissioner's designee shall conduct a public
 5 drawing to award a monthly prize of \$1,000 from the fund. A student may not win
 6 more than one monthly prize.

7 (d) At the beginning of the month that follows the end of a FAFSA filing
 8 period, the commissioner or commissioner's designee shall conduct a public drawing
 9 to award five annual prizes of \$10,000 each from the fund. A student who has won a
 10 monthly prize is eligible for the annual raffle.

11 (e) If the amount appropriated to the fund in a fiscal year is insufficient to pay
 12 the amount of the prizes authorized under (c) and (d) of this section, the commissioner
 13 shall reduce pro rata the prizes.

14 (f) The commissioner shall advertise the FAFSA raffle.

15 (g) Nothing in this section creates a dedicated fund.

16 (h) In this section,

17 (1) "commissioner" means the commissioner of education and early
 18 development;

19 (2) "FAFSA" means the Free Application for Federal Student Aid as
 20 defined in 34 C.F.R. 668.2(b);

21 (3) "FAFSA filing period" means the months in an academic year in
 22 which the United States Department of Education makes the FAFSA available to be
 23 completed and submitted by a student to the United States Department of Education;

24 (4) "fund" means the FAFSA raffle fund.

25 * **Sec. 3.** This Act takes effect October 1, 2023.