

CS FOR SENATE BILL NO. 146()

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to gaming; relating to pull-tabs and electronic pull-tab systems; and
2 providing for an effective date."

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

4 * **Section 1.** AS 05.15.030(a) is amended to read:

5 (a) [AT THE TIME OF FILING AN APPLICATION FOR A PERMIT OR
6 LICENSE UNDER THIS CHAPTER, THE APPLICANT SHALL NOTIFY THE
7 CITY OR BOROUGH NEAREST TO THE LOCATION OF THE PROPOSED
8 ACTIVITY OF THE APPLICATION.] A local government unit may protest the
9 conduct of the activity in its jurisdiction by resolution stating the reasons for the
10 protest filed with the department; protests are limited to the lack of qualifications
11 prescribed by this chapter. This resolution is only a recommendation by the local
12 government that may be considered by the department in determining whether to issue
13 or refuse to issue a permit or license.

14 * **Sec. 2.** AS 05.15.030(c) is amended to read:

(c) If a permittee or licensee changes the location of an activity in the jurisdiction for which a permit has been issued, the permittee shall notify the department [AND THE LOCAL GOVERNMENT] within 10 days after moving to the new location.

* **Sec. 3.** AS 05.15.070 is amended to read:

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

* Sec. 4. AS 05.15.083 is amended to read:

Sec. 05.15.083. Reports to department by operators. (a) An operator shall file a report with the department by the last business day of the month following each calendar quarter in which an activity was conducted. The report must include, for each authorizing permittee on whose behalf an activity was conducted during the quarter, the date and location of each activity, the type of activity conducted, the amount of gross receipts, [THE AMOUNT OF AUTHORIZED EXPENSES,] the value of prizes awarded, the amount of net proceeds paid, and other information the department may require [; A COMPLETED INTERNAL REVENUE SERVICE FORM 941; AND A COPY OF THE OPERATOR'S EMPLOYER CONTRIBUTIONS AND WAGE REPORTS SUBMITTED TO THE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT FOR THE QUARTER]. However, if the only activity conducted by an operator during the calendar quarter is a raffle or lottery, then the operator is not required to file a report under this subsection until the raffle or lottery is completed.

(b) An operator shall file an annual report with the department not [NO] later than February 28 of the year following the year in which activities were conducted. The report must include, for each authorizing permittee on whose behalf an activity was conducted, the types of activities conducted, the total amount of gross receipts, [THE TOTAL AMOUNT OF AUTHORIZED EXPENSES,] the total value of prizes

1 awarded, and the total amount of net proceeds paid to each authorizing permittee.
2 [THE ANNUAL REPORT MUST ALSO INCLUDE A COMPLETED INTERNAL
3 REVENUE SERVICE FORM W-2 FOR EACH PERSON EMPLOYED BY THE
4 OPERATOR DURING THE PRECEDING YEAR.]

5 * **Sec. 5.** AS 05.15.087(a) is amended to read:

6 (a) An operator shall file a monthly report with each authorizing permittee for
7 which the operator has conducted an activity during the preceding month. The report
8 must include a [DAILY] summary of activity conducted under the permit issued to the
9 authorizing permittee and an accounting of gross receipts, prize payouts
10 [EXPENSES], and net proceeds for the month. A check or electronic funds transfer
11 in the amount of the net proceeds due to the authorizing permittee for the month must
12 accompany the report. The operator shall file the report by the 15th day after the end
13 of the month covered by the report.

14 * **Sec. 6.** AS 05.15.115(b) is amended to read:

15 (b) The contract between an authorizing permittee and an operator must
16 include the amount and form of compensation to be paid to the operator, the term of
17 the contract, the activities to be conducted by the operator on behalf of the permittee,
18 the location where the activities are to be conducted, the name and address of the
19 member in charge, and other provisions the department may require. A contract
20 between an authorizing permittee and an operator may allow the operator to
21 pool together permittees and divide the gaming income and payouts among
22 permittees on a percentage basis. If the contract allows the operator to pool
23 together permittees, the operator shall disburse among authorizing permittees 30
24 percent of the adjusted gross income monthly.

25 * **Sec. 7.** AS 05.15.115(d) is amended to read:

26 (d) A permittee shall electronically submit [BY CERTIFIED MAIL] to the
27 department for approval a copy of each contract with an operator with whom the
28 permittee contracts to conduct activities subject to this chapter. The contract must
29 meet the requirements of this section. The department shall approve or disapprove the
30 contract. If the contract is disapproved, reasons for the disapproval shall be provided
31 in writing to the permittee. Activities may not be conducted under the contract before

1 the contract is approved. Subsequent amendments to an approved contract do not take
2 effect until the amendments are approved by the department.

3 * **Sec. 8.** AS 05.15.122 is amended by adding a new subsection to read:

4 (e) An operator licensed under this section may conduct electronic pull-tab
5 activities on behalf of a municipality or a qualified organization only if the department
6 has issued a separate electronic pull-tab endorsement to the operator's license for
7 electronic pull-tab systems. The department may issue an electronic pull-tab
8 endorsement if

9 (1) the operator has filed all reports required under AS 05.15.087;
10 (2) the operator's license has not been revoked by the department in the
11 immediately preceding five years; and

12 (3) the operator has conducted pull-tab games on behalf of a
13 municipality or a qualified organization for at least the preceding three years.

14 * **Sec. 9.** AS 05.15.122(e), enacted by sec. 8 of this Act, is amended to read:

15 (e) An operator licensed under this section may conduct electronic pull-tab
16 activities on behalf of a municipality or a qualified organization only if the department
17 has issued a separate electronic pull-tab endorsement to the operator's license for
18 electronic pull-tab systems. The department may issue an electronic pull-tab
19 endorsement if

20 (1) the operator has filed all reports required under AS 05.15.087; **and**
21 (2) the operator's license has not been revoked by the department in the
22 immediately preceding five years [; AND

23 (3) THE OPERATOR HAS CONDUCTED PULL-TAB GAMES ON
24 BEHALF OF A MUNICIPALITY OR A QUALIFIED ORGANIZATION FOR AT
25 LEAST THE PRECEDING THREE YEARS].

26 * **Sec. 10.** AS 05.15.128(a) is amended to read:

27 (a) The department shall revoke the license of an operator who does not
28 [(1) REPORT AN ADJUSTED GROSS INCOME OF AT LEAST 15
29 PERCENT OF GROSS INCOME ANNUALLY BASED ON THE TOTAL
30 OPERATION OF THE OPERATOR; OR
31 (2)] pay to each authorizing permittee annually at least 30 percent of

1 the adjusted gross income [, AS DETERMINED UNDER (1) OF THIS
2 SUBSECTION,] from a pull-tab activity or at least 10 percent of the adjusted gross
3 income [, AS DETERMINED UNDER (1) OF THIS SUBSECTION,] from a gaming
4 activity other than pull-tabs [,] received from activities conducted on behalf of the
5 authorizing permittee.

6 * **Sec. 11.** AS 05.15.165(a) is amended to read:

7 (a) An operator shall pay net proceeds to the authorizing permittee by check
8 or electronic funds transfer.

9 * **Sec. 12.** AS 05.15.165 is amended by adding a new subsection to read:

10 (g) An operator shall employ a person who is responsible solely for overseeing
11 pull-tabs or an electronic pull-tab system. An employee of an operator may not
12 simultaneously work for a nongaming entity while overseeing pull-tabs or an
13 electronic pull-tab system. In this subsection, "nongaming entity" means an entity that
14 is not licensed under this chapter.

15 * **Sec. 13.** AS 05.15.180(a) is amended to read:

16 (a) Unless expressly authorized by the department, this [THIS] chapter
17 does not authorize the use of playing cards, dice, roulette wheels, coin-operated
18 instruments or machines, or other objects or instruments used, designed, or intended
19 primarily for gaming or gambling, or any other method or implement [NOT
20 EXPRESSLY AUTHORIZED BY THE DEPARTMENT].

21 * **Sec. 14.** AS 05.15.180(b) is amended to read:

22 (b) With the exception of raffles, lotteries, bingo games, pull-tab games,
23 electronic pull-tab systems, freeze-up classics, race classics, rain classics, goose
24 classics, mercury classics, deep freeze classics, dog mushers' contests, snow classics,
25 snow machine classics, canned salmon classics, salmon classics, animal classics, crane
26 classics, cabbage classics, Calcutta pools, big bull moose derbies, and king salmon
27 classics, a permit may not be issued for an activity under this chapter unless it existed
28 in the state in substantially the same form and was conducted in substantially the same
29 manner before January 1, 1959. A permit may not be issued for a snow machine
30 classic under this chapter unless it has been in existence for at least five years before
31 the permit is issued. A permit may not be issued for an animal classic under this

1 chapter unless it was in existence before November 1, 2002.

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

3 (g) A municipality or a qualified organization may award a maximum of
4 **\$5,000,000** [\$2,000,000] in prizes each year in activities authorized under this chapter
5 [**; HOWEVER, IF A MUNICIPALITY OR A QUALIFIED ORGANIZATION** CONTRACTS WITH AN OPERATOR TO CONDUCT ON ITS BEHALF
6 ACTIVITIES AUTHORIZED UNDER THIS CHAPTER, THE MUNICIPALITY OR
7 QUALIFIED ORGANIZATION MAY AWARD A MAXIMUM OF \$500,000 IN
8 PRIZES EACH YEAR]. A municipality or a qualified organization that conducts a
9 contest of skill and awards more than \$1,000,000 in prizes to the participants in that
10 contest of skill may exclude \$1,000,000 in prizes awarded to those participants from
11 the **\$5,000,000** [\$2,000,000] maximum allowed in this subsection. The holders of a
12 multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in prizes
13 each year of **\$5,000,000** [\$2,000,000] times the number of holders of the permit for
14 activities authorized under this chapter. In this subsection, "activities authorized under
15 this chapter" means all activities subject to this chapter other than bingo.

16 * **Sec. 16.** AS 05.15.181(d) is amended to read:

17 (d) A pull-tab manufacturer may distribute pull-tabs only to a [LICENSED]
18 pull-tab distributor **that is licensed and that holds a separate electronic pull-tab**
19 **endorsement under AS 05.15.183** [UNLESS THE PULL-TAB MANUFACTURER
20 IS ALSO A LICENSED PULL-TAB DISTRIBUTOR].

21 * **Sec. 17.** AS 05.15.181 is amended by adding new subsections to read:

22 (f) A pull-tab manufacturer may not modify or pay another person to modify a
23 building to accommodate the installation of a gaming system, perform or pay another
24 person to perform electrical work necessary to install a gaming system, or provide a
25 utility connection for a gaming system.

26 (g) A pull-tab manufacturer may not provide a gift, gratuity, premium, or
27 other thing of value in an amount greater than \$25 annually for each entity or
28 organization and may not receive a gift, gratuity, premium, or other thing of value
29 from a distributor.

30 (h) A pull-tab manufacturer may distribute to a distributor in this state an

1 electronic pull-tab system for use in the state only if the department has issued a
2 separate electronic pull-tab endorsement to the manufacturer's license. A pull-tab
3 manufacturer licensed in the state who manufactures electronic pull-tab systems for
4 use in the state shall submit, at the manufacturer's expense, the electronic pull-tab
5 system to an independent gaming testing laboratory approved by the department for
6 testing and certification before distribution. In this subsection, "manufacture" includes
7 the development, creation, and programming of any electronic device, hardware,
8 software, or computer systems used in the operation of a pull-tab or electronic pull-tab
9 system; "manufacture" does not include the development, creation, and programming
10 of standard hardware or software components.

11 (i) Except as provided in (j) and (l) of this section, a manufacturer may refuse
12 to sell gaming equipment or paper pull-tabs to a licensed distributor that has been
13 licensed in the state for at least three years only if

14 (1) the distributor seeks to buy a specific paper pull-tab game being
15 sold exclusively to one distributor during the first year of production as permitted
16 under (l) of this section;

17 (2) the manufacturer does not sell gaming equipment to any
18 distributors in the state;

19 (3) sale of the gaming equipment or paper pull-tabs is prohibited by
20 law or regulation; or

21 (4) the distributor is delinquent on a payment owed to the
22 manufacturer.

23 (j) Subsection (i) does not apply to application software and computer
24 programs and equipment used by a licensed manufacturer in the production, playing,
25 and reporting of approved electronic pull-tab games.

26 (k) A manufacturer shall provide the same price points and quantity
27 requirements for paper pull-tabs to each distributor.

28 (l) A manufacturer may make available a paper pull-tab game exclusively to
29 one distributor during the first year of production of the game. After one year of
30 production, the manufacturer shall make the game available to all distributors.

31 (m) A manufacturer shall submit to the department a copy of each contract

1 with a distributor within seven days after signing.

2 (n) A pull-tab manufacturer may not obtain, use, share, or sell point-of-sale
3 data from paper tickets or bingo.

4 (o) The department may not issue a pull-tab manufacturer's license to a person
5 who is otherwise prohibited from involvement under AS 05.15.105.

6 * **Sec. 18.** AS 05.15.183(a) is amended to read:

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

9 **The department may not issue a pull-tab distributor's license to a manufacturer**
10 **or to a person licensed as an operator or who otherwise participates in the**
11 **conduct of an activity authorized under this chapter on behalf of a municipality**
12 **or a qualified organization.**

13 * **Sec. 19.** AS 05.15.183(c) is amended to read:

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

17 * **Sec. 20.** AS 05.15.183(e) is amended to read:

18 (e) **A distributor may deliver an electronic pull-tab series to a computer**
19 **server at a vendor's location on behalf of a permittee authorized to conduct pull-**
20 **tab sales at the vendor's location.** 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 an electronic pull-tab**
24 **series as expressly authorized in this subsection; or**

25 (4) **modify or pay another person to modify a building to**
26 **accommodate a gaming system, perform or pay another person to perform**
27 **electrical work necessary to install a gaming system, or provide a utility**
28 **connection for a gaming system.**

29 * **Sec. 21.** AS 05.15.183 is amended by adding new subsections to read:

30 (f) A licensed distributor may distribute an electronic pull-tab system in the
31 state only if the department has issued a separate electronic pull-tab endorsement to

1 the distributor's license.

2 (g) The department may not issue a pull-tab distributor's license to a person
3 who is otherwise prohibited from involvement under AS 05.15.105.

4 (h) A distributor may not

5 (1) provide to a municipality or qualified organization, or an employee
6 or agent of a municipality or qualified organization, compensation, a gift, gratuity,
7 premium, or other thing of value in an amount greater than \$25 annually for each
8 organization;

9 (2) provide to an owner or lessor of a gaming premises compensation,
10 a gift, gratuity, premium, or other thing of value;

11 (3) participate in a gaming activity at a gaming premises that uses
12 gaming equipment purchased or leased from that distributor;

13 (4) alter or modify any gaming equipment, except to add a sticker
14 indicating the last ticket sold for a pull-tab game;

15 (5) obtain or use point-of-sale information for a pull-tab game or
16 bingo;

17 (6) contract with a permittee, operator, or multiple-beneficiary
18 permittee for a period exceeding one month; a contract with a permittee, operator, or
19 multiple-beneficiary permittee may automatically renew each month.

20 (i) A distributor may not be an owner or shareholder of a manufacturer
21 licensed under AS 05.15.181.

22 (j) A distributor may only distribute electronic pull-tabs that meet the
23 requirements of AS 05.15.186.

24 (k) A distributor may provide marketing, promotional, or point-of-sale items
25 or materials for the promotion of lawful gaming to a municipality or qualified
26 organization for use at a premises where gaming is conducted by holders of a license
27 or permit under this chapter. The total value of marketing, promotional, or point-of-
28 sale items or materials that a distributor provides to a municipality or qualified
29 organization may not exceed \$250 a year. Marketing, promotional, or point-of-sale
30 items or materials authorized under this subsection do not include items normally
31 purchased by the owner or lessor of the premises.

(l) A distributor shall submit to the department a copy of each contract with a permittee, operator, or multiple-beneficiary permittee within seven days after signing.

* Sec. 22. AS 05.15.185 is amended to read:

Sec. 05.15.185. Distribution of pull-tab games. Each series of pull-tabs distributed 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 and may be distributed only to

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

(2) an operator; [ON BEHALF OF AN AUTHORIZING PERMITTEE; OR]

(3) a distributor licensed under this chapter; or

(4) a vendor by a distributor as authorized under AS 05.15.183(e).

* **Sec. 23.** AS 05.15.185 is amended by adding new subsections to read:

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

(1) have a predetermined and finite number of winning and nonwinning tickets;

(2) have a predetermined prize amount and structure;

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

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

(1) exceed 15,000 tickets;

(2) require additional consideration for an extended play feature in the game.

* **Sec. 24.** AS 05.15 is amended by adding a new section to read:

Sec. 05.15.186. Electronic pull-tabs. (a) An electronic pull-tab system used to sell an electronic pull-tab series in the state

(1) may accept only United States currency in paper form, purchased credits, credit vouchers, or electronically transferred funds;

(2) must clearly display the result and any prize awarded following the

1 play of an electronic pull-tab game on the electronic pull-tab device and reveal the
2 numbers or series of the pull-tab on the device; and

3 (3) may use an autoclose system to close a game when all winning
4 tickets over a predetermined value are gone from the game; an autoclose feature must
5 be disclosed on the electronic game flare card with a statement identifying when the
6 game will be closed.

7 (b) An electronic pull-tab system used to sell an electronic pull-tab series in
8 the state may not

9 (1) display on the device spinning reels that mimic a slot machine; or
10 (2) dispense anything of value other than a credit voucher.

11 (c) A device used to play electronic pull-tabs must be incorporated into an
12 electronic pull-tab system and may not be used for personal communication.
13 Connections between all components and access points of the electronic pull-tab
14 system must use secure communication protocols designed to prevent unauthorized
15 access or tampering, employing advanced encryption standard specifications adopted
16 by the National Institute of Standards and Technology, or in accordance with IEEE
17 802.11 standards contained in the Wi-Fi Protected Access II authentication protocols
18 or other nationally recognized security protocols as prescribed by the department.

19 (d) An electronic cabinet-style device, and a point-of-sale system supporting
20 the electronic cabinet-style device, must allow universal ticket-in, ticket-out
21 technology.

22 (e) A pull-tab manufacturer shall maintain and keep current operating system
23 software agreements. An operating system agreement must be made available to the
24 department.

25 (f) The ideal net for electronic pull-tabs may not exceed 90 percent.

26 (g) A payout kiosk may be used by a person or employee overseeing an
27 electronic pull-tab system but may not be accessed by a customer. In this subsection,
28 "payout kiosk" means a physical device and collective hardware, software,
29 communication technology and other ancillary equipment used for credit voucher and
30 ticket redemption and disbursement of prizes.

31 * **Sec. 25. AS 05.15.187(d)** is amended to read:

(d) A paper pull-tab series may not be withdrawn from sale until all pull-tabs in the series are sold, except that a pull-tab series may be withdrawn from sale if a manufacturing defect exists in the series and the department is notified of the defect and of the withdrawal from sale within a period established by regulation by the department.

* **Sec. 26.** AS 05.15.187(e) is amended to read:

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

* Sec. 27. AS 05.15.187(f) is amended to read:

(f) Each permittee that had gross receipts exceeding \$100,000 during the preceding year from activities conducted under this chapter or that is required to report under AS 05.15.080(a) shall maintain records as required by this subsection. A permittee [,] that conducts a paper pull-tab game shall maintain records for two years of each prize of \$50 or more, the first day and last day that each series was distributed, the serial number of each series, and the distributor from whom each series was purchased. A permittee that conducts an electronic pull-tab game shall maintain records for two years of each prize of \$600 or more, the first day and last day that each series was distributed, the serial number of each series, and the distributor from whom each series was purchased. [IN THIS SECTION "PERMITTEE" INCLUDES MUNICIPALITIES AND QUALIFIED ORGANIZATIONS THAT JOINTLY HOLD A MULTIPLE-BENEFICIARY PERMIT.]

* **Sec. 28.** AS 05.15.187(i) is amended to read:

(i) A permittee, operator, or registered vendor may not turn over a prize of \$50 or more to a person with a paper pull-tab card entitling the person to that prize, or turn over a prize of \$600 or more to a person with an electronic pull-tab credit voucher entitling the person to that prize, unless the person signs a receipt for the prize and returns the receipt to the permittee, operator, or vendor. The receipt must be in a form approved by the department.

* **Sec. 29.** AS 05.15.187 is amended by adding new subsections to read:

(j) A permittee or operator that leases space in a location that serves alcohol

1 may only sell paper pull-tabs or electronic pull-tabs accessed on a portable tablet
2 device from a single location. The restriction in this subsection does not apply to a
3 fraternal organization.

4 (k) In this section, "permittee" includes municipalities and qualified
5 organizations that jointly hold a multiple-beneficiary permit.

6 * **Sec. 30.** AS 05.15.188(g) is amended to read:

7 (g) A person, other than a permittee's member-in-charge, may not directly
8 supply a paper pull-tab series to a registered vendor for sale by that vendor on behalf
9 of the permittee.

10 * **Sec. 31.** AS 05.15.188(h) is amended to read:

11 (h) If a permittee contracts with a vendor under (a) of this section for paper
12 pull-tabs, the contract must provide that the permittee shall receive not [NO] less than
13 70 percent of the ideal net.

14 * **Sec. 32.** AS 05.15.188(i) is amended to read:

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

20 * **Sec. 33.** AS 05.15.188 is amended by adding new subsections to read:

21 (l) If a permittee contracts with a vendor under (a) of this section for electronic
22 pull-tabs, the contract must provide that the vendor will retain not more than 20
23 percent of the gross receipts less the prize payouts.

24 (m) A vendor location may sell only paper pull-tabs and electronic pull-tabs
25 accessed on a portable tablet device.

26 (n) A vendor shall report to the department the amount of adjusted gross
27 income disbursed to permittees each month. The vendor's portion may not be more
28 than 20 percent of the adjusted gross income.

29 (o) Not later than the fifth day of each month, a distributor shall make
30 available a report detailing, for the previous month, the total income from electronic
31 pull-tabs, the prizes distributed, and a calculation of the adjusted gross income for

1 each vendor location.

2 (p) A cash shortage is the responsibility of the vendor and may not be
3 deducted from the adjusted gross income.

4 (q) A vendor shall pay the permittee by check or electronic funds transfer and
5 identify the payee.

6 (r) A contract between an authorizing permittee and a vendor may allow the
7 vendor to pool together permittees and divide the gaming income and payouts among
8 permittees on a percentage basis.

9 (s) The department may not register as a vendor a person who is otherwise
10 prohibited from involvement under AS 05.15.105.

11 * **Sec. 34.** AS 05.15.640(a) is amended to read:

12 (a) A person may [NOT] use broadcasting to promote or conduct a charitable
13 gaming activity under this chapter [EXCEPT THAT A PERSON MAY USE

14 (1) BROADCASTING TO PROMOTE A FISH DERBY, A DOG
15 MUSHERS' CONTEST, A TYPE OF CLASSIC DEFINED IN AS 05.15.690, OR A
16 RAFFLE AND LOTTERY; OR

17 (2) THE INTERNET OR AN INTERNET COMMUNICATION TO
18 PROMOTE A CHARITABLE GAMING ACTIVITY UNDER THIS CHAPTER].

19 * **Sec. 35.** AS 05.15.640(c) is amended to read:

20 (c) A [NOTWITHSTANDING (a) OF THIS SECTION, A] permittee, an
21 operator, or the holder of a multiple-beneficiary permit may use the Internet or an
22 Internet communication to conduct a charitable gaming activity for a raffle or lottery,
23 dog mushers' contest, derby, or type of classic defined in AS 05.15.690. The
24 permittee, an operator, or the holder of a multiple-beneficiary permit may draw
25 winning tickets online or by other electronic or digital means.

26 * **Sec. 36.** AS 05.15 is amended by adding a new section to read:

27 **Sec. 05.15.685. Injunction and civil penalty.** (a) A person who conducts,
28 finances, leases, manages, supervises, directs, or owns a gambling device intended for
29 use in the state in violation of this chapter is subject to a civil penalty not to exceed
30 \$25,000 for each device.

31 (b) The state, a municipality, or a village may bring an action in the superior

1 court to

2 (1) enjoin the operation of a gambling device in violation of this
3 chapter; and

4 (2) request imposition of the civil penalty.

5 * **Sec. 37.** AS 05.15.690(39) is amended to read:

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

11 * **Sec. 38.** AS 05.15.690(46) is amended to read:

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

14 * **Sec. 39.** AS 05.15.690 is amended by adding new paragraphs to read:

15 (51) "credit voucher" means an encoded coupon or receipt produced by
16 a printer inside of an electronic pull-tab system that is connected to a cashless
17 wagering system;

18 (52) "distributor" includes a distributor salesperson, or representative,
19 agent, affiliate, or other employee of a distributor;

20 (53) "electronic pull-tab system" means individual electronic pull-tabs,
21 electronic cabinet-style pull-tab devices, portable tablet pull-tab devices, other
22 electronic pull-tab devices, and related hardware and software used to play or facilitate
23 the play of an electronic pull-tab series;

24 (54) "manufacturer" includes a manufacturer salesperson or a
25 representative, agent, affiliate, or other employee of a manufacturer.

26 * **Sec. 40.** AS 29.45 is amended by adding a new section to article 7 to read:

27 **Sec. 29.45.830. Taxes on pull-tabs.** A municipality may not levy or collect a
28 tax or fee on the sale of pull-tabs that exceeds one percent of the ideal net. In this
29 section, "ideal net" has the meaning given in AS 05.15.690.

30 * **Sec. 41.** AS 05.15.150(b) and 05.15.640(b) are repealed.

31 * **Sec. 42.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations
3 necessary to implement the changes made by this Act. The regulations take effect under
4 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
5 implemented by the regulation.

6 * **Sec. 43.** Section 42 of this Act takes effect immediately under AS 01.10.070(c).

7 * **Sec. 44.** Section 9 of this Act takes effect January 1, 2030.

8 * **Sec. 45.** Except as provided in secs. 43 and 44 of this Act, this Act takes effect January 1,
9 2025.