

**SENATE BILL NO. 170**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

**BY SENATOR BJORKMAN**

**Introduced: 4/11/25**

**Referred: Labor & Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to gaming; relating to bingo; relating to pull-tabs and electronic pull-**  
2   **tab systems; and 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. Investigations; examination [EXAMINATION] of books and records. The department may investigate licensed and unlicensed gaming operations and administer civil penalties for violations of this chapter.** 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

1 was conducted, the types of activities conducted, the total amount of gross receipts,  
 2 [THE TOTAL AMOUNT OF AUTHORIZED EXPENSES,] the total value of prizes  
 3 [AWARDED], and the total amount of net proceeds paid to each authorizing  
 4 permittee. [THE ANNUAL REPORT MUST ALSO INCLUDE A COMPLETED  
 5 INTERNAL REVENUE SERVICE FORM W-2 FOR EACH PERSON EMPLOYED  
 6 BY THE OPERATOR DURING THE PRECEDING YEAR.]

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

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

16 \* **Sec. 6.** AS 05.15.105(b) is amended to read:

17 (b) The department shall adopt regulations that provide that a disqualification  
 18 of a person under (a) of this section based on [UPON] a conviction of that person or a  
 19 person described in (c) of this section for a violation

20 (1) of a law of this state that is, or a law or ordinance of another  
 21 jurisdiction that would be if it was committed in this state, a class B felony other than  
 22 extortion, a class C felony, or an unclassified felony described outside of AS 11, and  
 23 that is not a crime of dishonesty or theft or a violation of gambling laws, terminates 10  
 24 years after the person's conviction;

25 (2) of a law or ordinance of this state or another jurisdiction that is a  
 26 crime involving theft or dishonesty or a violation of gambling laws, and that is not, or  
 27 would not be if it was committed in this state, an unclassified felony described in  
 28 AS 11, a class A felony, or extortion, terminates 10 years after the person's conviction,  
 29 if the department determines that the

30 (A) person is of good character, honesty, and integrity; and

31 (B) person's involvement in charitable gaming is not against the

1 public interest.

2 \* **Sec. 7.** AS 05.15.105 is amended by adding a new subsection to read:

3 (c) The department may not issue a license to a manufacturer or distributor if a  
4 parent company, sister company, or subsidiary of the manufacturer or distributor has  
5 been convicted of a violation of a law that would disqualify the parent company, sister  
6 company, or subsidiary under (a) of this section.

7 \* **Sec. 8.** AS 05.15.115(b) is amended to read:

8 (b) The contract between an authorizing permittee and an operator must  
9 include the amount and form of compensation to be paid to the operator, the term of  
10 the contract, the activities to be conducted by the operator on behalf of the permittee,  
11 the location where the activities are to be conducted, the name and address of the  
12 member in charge, and other provisions the department may require. **A contract**  
13 **between an authorizing permittee and an operator may allow the operator to**  
14 **pool together permittees and divide the gaming income and payouts among**  
15 **permittees on a percentage basis to be determined at the end of each month.**

16 \* **Sec. 9.** AS 05.15.115(d) is amended to read:

17 (d) **An operator** [A PERMITTEE] shall **electronically** submit [BY  
18 CERTIFIED MAIL] to the department for approval a copy of each contract with **a**  
19 **permittee** [AN OPERATOR] with whom the **operator** [PERMITTEE] contracts to  
20 conduct activities subject to this chapter. The contract must meet the requirements of  
21 this section. The department shall approve or disapprove the contract. If the contract is  
22 disapproved, reasons for the disapproval shall be provided in writing to the **operator**  
23 [PERMITTEE]. Activities may not be conducted under the contract before the  
24 contract is approved. Subsequent amendments to an approved contract do not take  
25 effect until the amendments are approved by the department.

26 \* **Sec. 10.** AS 05.15.122 is amended by adding new subsections to read:

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

- 1 (1) the operator has filed all reports required under AS 05.15.087;  
 2 (2) the operator's license has not been revoked by the department in the  
 3 immediately preceding five years; and  
 4 (3) the operator has conducted pull-tab games for at least the preceding  
 5 three years.

6 (f) If an operator that is a natural person dies, the estate of the operator may  
 7 designate a temporary responsible party to conduct activities authorized by the  
 8 operator's license for 120 days after the death of the operator.

9 \* **Sec. 11.** AS 05.15.122(e), enacted by sec. 10 of this Act, is amended to read:

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

- 15 (1) the operator has filed all reports required under AS 05.15.087; and  
 16 (2) the operator's license has not been revoked by the department in the  
 17 immediately preceding five years [; AND  
 18 (3) THE OPERATOR HAS CONDUCTED PULL-TAB GAMES  
 19 FOR AT LEAST THE PRECEDING THREE YEARS].

20 \* **Sec. 12.** AS 05.15.128(a) is amended to read:

21 (a) The department shall revoke  
 22 (1) the license of an operator who does not [(1) REPORT AN  
 23 ADJUSTED GROSS INCOME OF AT LEAST 15 PERCENT OF GROSS INCOME  
 24 ANNUALLY BASED ON THE TOTAL OPERATION OF THE OPERATOR; OR  
 25 (2)] pay to each authorizing permittee annually at least 30 percent of the adjusted  
 26 gross income [, AS DETERMINED UNDER (1) OF THIS SUBSECTION,] from a  
 27 pull-tab activity or at least 10 percent of the adjusted gross income [, AS  
 28 DETERMINED UNDER (1) OF THIS SUBSECTION,] from a gaming activity other  
 29 than pull-tabs [,] received from activities conducted on behalf of the authorizing  
 30 permittee;

31 (2) a multiple-beneficiary permit if payments under the multiple-

beneficiary permit to the holders of the multiple-beneficiary permit do not annually total at least 30 percent of the adjusted gross income from a pull-tab activity or at least 10 percent of the adjusted gross income from a gaming activity other than pull-tabs received from activities conducted on behalf of the authorizing multiple-beneficiary permit.

\* Sec. 13. AS 05.15.165(a) is amended to read:

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

\* Sec. 14. AS 05.15.165(c) is amended to read:

(c) The operator shall post in a public place on the premises where the activities are conducted the operator's license and a copy of the permit of each authorizing permittee with whom the operator has a contract to conduct activities at the location. A sign posted on the premises that directs individuals to an operator's Internet website or landing page satisfies the requirements of this subsection if the posted sign states that the information required by this subsection is contained on the Internet website or landing page and the Internet website or landing page contains the required information.

\* Sec. 15. AS 05.15.170(a) is amended to read:

(a) The department may suspend, for a period of up to one year, or revoke a permit, license, or vendor registration, after giving notice to and an opportunity to be heard by the permittee or licensee, if the permittee, licensee, or vendor

(1) violates or fails to comply with a requirement of this chapter or of a regulation adopted under this chapter;

(2) breaches a contractual agreement with a permittee, licensee, or registered vendor;

(3) becomes disqualified to participate in charitable gaming as provided in AS 05.15.105; for the purposes of this paragraph, a permittee, licensee, or vendor that is not a natural person is considered convicted if an owner or manager of the permittee or an owner or manager of a parent company, sister company, or subsidiary of the [,] licensee [,] or vendor is convicted;

(4) knowingly submits false information to the department or, in the

1 case of a registered vendor, to a permittee when the vendor knows that the false  
 2 information will be submitted to the department as part of an application for  
 3 registration; or

4 (5) gives or acts on [UPON] any inside information on the status of the  
 5 prizes awarded or to be awarded in a pull-tab game.

6 \* **Sec. 16.** AS 05.15.170 is amended by adding new subsections to read:

7 (c) When a permit, license, or vendor registration is suspended or revoked, the  
 8 department shall notify an operator that conducts an activity on behalf of or a  
 9 distributor that supplies the permittee, vendor, or licensee that the permit has been  
 10 suspended or revoked. The notification must be in the form of electronic mail and a  
 11 message transmitted through a website created for the purpose of allowing citizens to  
 12 interact with multiple state services through a single username and password.

13 (d) When a license of a distributor is suspended or revoked, the department  
 14 shall notify a manufacturer that supplies the distributor that the distributor has had the  
 15 license suspended or revoked. The notification must be in the form of electronic mail  
 16 and a message transmitted through an Internet website created for the purpose of  
 17 allowing citizens to interact with multiple state services through a single username and  
 18 password.

19 \* **Sec. 17.** AS 05.15.180(b) is amended to read:

20 (b) With the exception of raffles, lotteries, bingo games, pull-tab games,  
 21 electronic pull-tabs, freeze-up classics, race classics, rain classics, goose classics,  
 22 mercury classics, deep freeze classics, dog mushers' contests, snow classics, snow  
 23 machine classics, canned salmon classics, salmon classics, animal classics, crane  
 24 classics, cabbage classics, Calcutta pools, big bull moose derbies, and king salmon  
 25 classics, a permit may not be issued for an activity under this chapter unless it existed  
 26 in the state in substantially the same form and was conducted in substantially the same  
 27 manner before January 1, 1959. A permit may not be issued for a snow machine  
 28 classic under this chapter unless it has been in existence for at least five years before  
 29 the permit is issued. A permit may not be issued for an animal classic under this  
 30 chapter unless it was in existence before November 1, 2002.

31 \* **Sec. 18.** AS 05.15.180(d) is amended to read:

(d) The total value of door prizes offered or awarded under authority of a permit issued to a municipality or qualified organization under this chapter or under authority of a multiple-beneficiary permit may not exceed \$50,000 [\$20,000] a month or \$600,000 [\$240,000] a year.

\* **Sec. 19.** AS 05.15.180(e) is amended to read:

(e) The department shall adopt regulations that set prize amounts for bingo games. The regulations must allow an operator of a bingo game to award a top prize of at least \$2,500 but not more than \$10,000 in one bingo session a month and award a top prize of at least \$1,000 but not more than \$2,500 in all other bingo sessions. The total value of all door prizes offered or awarded at a single facility or bingo hall or parlor by an operator on behalf of authorizing permittees may not exceed \$50,000 [\$20,000] a month or \$600,000 [\$240,000] a year. An operator of a bingo game may offer progressive bingo. A progressive bingo game does not count toward the prize limitations in this subsection. In a progressive bingo game,

(1) a portion of the gross receipts is carried over to another game if no player declares a valid bingo for a progressive prize or prizes based on a predetermined and posted win determination;

(2) the portion of the prize that is not carried over is awarded to the first player or players who declare a valid bingo as additional numbers are called; and

(3) the entire prize pool for that game is awarded to the winner or winners if a valid bingo is declared.

\* **Sec. 20.** AS 05.15.180(f) is amended to read:

(f) A person under the age of 18 [19] years may not play a bingo game.

\* **Sec. 21.** AS 05.15.180(g) is amended to read:

(g) A municipality or a qualified organization may award a maximum of \$2,000,000 in prizes each year in activities authorized under this chapter [; HOWEVER, IF A MUNICIPALITY OR A QUALIFIED ORGANIZATION CONTRACTS WITH AN OPERATOR TO CONDUCT ON ITS BEHALF ACTIVITIES AUTHORIZED UNDER THIS CHAPTER, THE MUNICIPALITY OR



1 QUALIFIED ORGANIZATION MAY AWARD A MAXIMUM OF \$500,000 IN  
 2 PRIZES EACH YEAR]. A municipality or a qualified organization that conducts a  
 3 contest of skill and awards more than \$1,000,000 in prizes to the participants in that  
 4 contest of skill may exclude \$1,000,000 in prizes awarded to those participants from  
 5 the \$2,000,000 maximum allowed in this subsection. The holders of a multiple-  
 6 beneficiary permit under AS 05.15.100(d) may award a maximum in prizes each year  
 7 of \$2,000,000 times the number of holders of the permit for activities authorized under  
 8 this chapter. In this subsection, "activities authorized under this chapter" means all  
 9 activities subject to this chapter other than bingo and electronic pull-tabs.

10 \* **Sec. 22.** AS 05.15.180 is amended by adding new subsections to read:

11 (i) A municipality or a qualified organization may award a maximum of  
 12 \$4,000,000 in prizes for electronic pull-tab games each year. The holders of a  
 13 multiple-beneficiary permit issued under AS 05.15.100(d) may award a maximum in  
 14 prizes each year of \$4,000,000 times the number of holders of the permit for activities  
 15 authorized under this chapter for electronic pull-tab games.

16 (j) Beginning in 2030, the department may by regulation increase the  
 17 monetary amounts in (g) and (i) of this section by up to 10 percent, rounded up to the  
 18 nearest \$10,000, once every five years.

19 \* **Sec. 23.** AS 05.15.181(d) is amended to read:

20 (d) A pull-tab manufacturer may distribute pull-tabs only to a licensed pull-tab  
 21 distributor [UNLESS THE PULL-TAB MANUFACTURER IS ALSO A LICENSED  
 22 PULL-TAB DISTRIBUTOR].

23 \* **Sec. 24.** AS 05.15.181 is amended by adding new subsections to read:

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

28 (g) A pull-tab manufacturer, an owner or employee of a manufacturer, an  
 29 immediate family member of an owner or employee of a manufacturer, or a parent  
 30 company, sister company, or subsidiary of a manufacturer

31 (1) may not, within a calendar year, provide gifts, gratuities,

1 premiums, or other things of value to a vendor, operator, permittee, or qualified  
2 organization with a total value of more than \$250;

3 (2) may not accept gifts, gratuities, premiums, or other things of value  
4 from a vendor, operator, permittee, or qualified organization or an owner, employee,  
5 or immediate family member of an owner or employee of a vendor, operator,  
6 permittee, or qualified organization with a total value of more than \$250 per calendar  
7 year.

8 (h) A pull-tab manufacturer may distribute to a distributor in this state an  
9 electronic pull-tab system for use in the state only if the department has issued a  
10 separate electronic pull-tab endorsement to the manufacturer's license. A pull-tab  
11 manufacturer licensed in the state who manufactures electronic pull-tab systems for  
12 use in the state shall submit, at the manufacturer's expense, the electronic pull-tab  
13 system to an independent gaming testing laboratory approved by the department for  
14 testing and certification before distribution. In this subsection, "manufacture" includes  
15 the development, creation, and programming of any electronic device, hardware,  
16 software, or computer systems used in the operation of a pull-tab or electronic pull-tab  
17 system; "manufacture" does not include the development, creation, and programming  
18 of standard hardware or software components.

19 (i) A pull-tab manufacturer may not distribute pull-tabs to a distributor if one  
20 of the following persons holds an ownership interest in the distributor:

- 21 (1) the manufacturer;  
22 (2) an owner or employee of the manufacturer;  
23 (3) a family member related within two degrees of consanguinity to an  
24 owner or employee of the manufacturer;  
25 (4) a parent company, sister company, or subsidiary of the  
26 manufacturer.

27 (j) A pull-tab manufacturer may refuse to sell gaming equipment or paper  
28 pull-tabs to a licensed distributor that has been licensed and had gross annual sales in  
29 the state exceeding \$500,000 for at least three years only if

- 30 (1) the distributor seeks to buy a specific paper pull-tab game being  
31 sold exclusively to one distributor during the first five years of production as permitted

1 under (m) of this section;

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

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

6 (4) the distributor is delinquent on a payment owed to the  
7 manufacturer or has a history of delinquent payments; or

8 (5) the distributor is owned, in whole or in part, by

9 (A) a manufacturer;

10 (B) the parent company, sister company, subsidiary, or  
11 shareholder of a manufacturer;

12 (C) a parent, child, or sibling of an officer or manager of a  
13 competing manufacturer.

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

17 (l) A pull-tab manufacturer shall provide the same price points and quantity  
18 requirements for paper pull-tabs to each distributor.

19 (m) A pull-tab manufacturer may make available a paper pull-tab game  
20 exclusively to one distributor during the first five years of production of the game.  
21 After five years of production, the manufacturer shall make the game available to all  
22 distributors. However, the manufacturer may continue to make a paper pull-tab game  
23 exclusively available to one distributor after five years of production if the distributor  
24 sells the game only to a single licensee. A paper pull-tab game is exclusive to one  
25 distributor only if the game contains significantly unique graphics. Minor changes  
26 made to an existing pull-tab game do not create an exclusive game.

27 (n) A pull-tab manufacturer shall submit to the department a copy of each  
28 contract with a distributor within seven days after signing.

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

31 (p) The department may not issue a pull-tab manufacturer's license to a person

1 who is otherwise prohibited from involvement under AS 05.15.105.

2 (q) A pull-tab manufacturer may not connect the price or availability of a  
3 paper pull-tab game to an electronic pull-tab or the price or availability of an  
4 electronic pull-tab to a paper pull-tab game.

5 \* **Sec. 25.** AS 05.15.183(a) is amended to read:

6 (a) A person may not distribute pull-tab games or electronic pull-tab systems  
7 unless the person has received a pull-tab distributor's license issued by the department.  
8 The department may not issue a pull-tab distributor's license to a person licensed  
9 as an operator or who otherwise participates in the conduct of an activity  
10 authorized under this chapter on behalf of a municipality, qualified organization,  
11 manufacturer, or parent company, sister company, or subsidiary of a  
12 manufacturer.

13 \* **Sec. 26.** 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. 27.** 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.

25 \* **Sec. 28.** AS 05.15.183 is amended by adding new subsections to read:

26 (f) A licensed distributor may distribute an electronic pull-tab system in the  
27 state only if the department has issued a separate electronic pull-tab endorsement to  
28 the distributor's license.

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

31 (h) A distributor may not

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

5                   (2) modify or pay another person to modify a building to accommodate  
6                   the installation of a gaming system, perform or pay another person to perform  
7                   electrical work necessary to install a gaming system, or provide a utility connection  
8                   for a gaming system;

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

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

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

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

17                  (7) connect the price or availability of a paper pull-tab game to an  
18                  electronic pull-tab or the price or availability of an electronic pull-tab to a paper pull-  
19                  tab game;

20                  (8) be an owner, shareholder, or subsidiary of a manufacturer, or a  
21                  corporation that owns a manufacturer, licensed under AS 05.15.181;

22                  (9) distribute a pull-tab game to a permittee or licensee that is owned  
23                  or managed by a person that is related within two degrees of consanguinity to an  
24                  individual that owns or is employed by the distributor.

25                  (i) A distributor may only distribute electronic pull-tabs that meet the  
26                  requirements of AS 05.15.186.

27                  (j) A distributor may provide marketing, promotional, or point-of-sale items or  
28                  materials for the promotion of lawful gaming to a municipality or qualified  
29                  organization, operator, or multiple-beneficiary permittee for use at a premises where  
30                  gaming is conducted by holders of a license or permit under this chapter. The total  
31                  value of marketing, promotional, or point-of-sale items or materials that a distributor

provides to a municipality or qualified organization, operator, or multiple-beneficiary permittee may not exceed \$250 a year.

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

(l) The department shall provide a serialized stamp to a distributor. The distributor shall register all gaming tablets with the department and shall affix the serialized stamp to the tablet.

(m) A contract between a distributor and a permittee must allow either party to terminate the contract with 30 days' notice.

\* **Sec. 29.** 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. 30.** 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 included in the game.

(d) An invoice for a paper pull-tab game distributed in the state must specify the cost for each ticket for the pull-tab game.

\* **Sec. 31.** 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 United States currency in paper form;

(2) may accept credits or credit vouchers purchased with United States currency in paper form, a debit card transaction, electronically transferred funds, or other electronic payment mechanisms;

(3) may not accept credit card transactions;

(4) must clearly display the result and any prize awarded following the play of an electronic pull-tab game on the electronic pull-tab device and reveal the numbers or series of the pull-tab on the device;

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

(6) must be a tablet device with a screen not larger than 13 inches in width or height; the tablet may not be connected to an external monitor or input device.

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

(1) display on the device spinning reels that mimic a slot machine; or

(2) dispense anything of value.

(c) A device used to play electronic pull-tabs must be incorporated into an electronic pull-tab system and may not be used for personal communication. Connections between all components and access points of the electronic pull-tab system must use secure communication protocols designed to prevent unauthorized access or tampering, employing advanced encryption standard specifications adopted

by the National Institute of Standards and Technology, or in accordance with IEEE 802.11 standards contained in the Wi-Fi Protected Access II authentication protocols or other nationally recognized security protocols as prescribed by the department.

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

(e) The ideal payout for electronic pull-tabs may not exceed 85 percent.

(f) The total price, including fees, a distributor charges a permittee or licensee for an electronic pull-tab system may not exceed 35 percent of the gross receipts less the prize payouts of the electronic pull-tab system.

(g) A distributor may not connect the price or availability of a paper pull-tab game to an electronic pull-tab.

\* **Sec. 32.** 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. 33.** 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 **18** [21] years. A person under the age of **18** [21] years may not purchase **or redeem** a pull-tab.

\* **Sec. 34.** 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 **\$100** [\$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 that is more than \$500 and greater**



1 **than 500 times the ticket price** [IN THIS SECTION "PERMITTEE" INCLUDES  
 2 MUNICIPALITIES AND QUALIFIED ORGANIZATIONS THAT JOINTLY HOLD  
 3 A MULTIPLE-BENEFICIARY PERMIT].

4 \* **Sec. 35.** AS 05.15.187(i) is amended to read:

5 (i) A permittee, operator, or registered vendor may not turn over a prize of  
 6 **\$100** [\$50] or more to a person with a **paper** pull-tab card entitling the person to that  
 7 prize unless the person signs a receipt for the prize and returns the receipt to the  
 8 permittee, operator, or vendor. The receipt must be in a form approved by the  
 9 department.

10 \* **Sec. 36.** AS 05.15.187 is amended by adding new subsections to read:

11 (j) An operator or permittee shall designate a person who is responsible for  
 12 overseeing pull-tabs or an electronic pull-tab system.

13 (k) The department may limit the number of tablets a permittee, licensee, or  
 14 vendor has in play at a location to one tablet for every six persons permitted to occupy  
 15 the premises.

16 (l) An owner or employee of an establishment that sells paper pull-tabs may  
 17 not play paper pull-tabs at the establishment.

18 (m) A person who has access to an electronic pull-tab deck status report at a  
 19 location may not play electronic pull-tabs at that location.

20 (n) An operator or permittee may maintain a vending machine that sells paper  
 21 pull-tabs directly to customers in an establishment that is accessible only by persons  
 22 21 years of age or older.

23 (o) An operator, permittee, or qualified organization may not accept gifts from  
 24 a pull-tab manufacturer, an owner or employee of a manufacturer, an immediate  
 25 family member of an owner or employee of a manufacturer, or a parent company,  
 26 sister company, or subsidiary of a manufacturer with a total value of more than \$250  
 27 per calendar year.

28 \* **Sec. 37.** AS 05.15.188(g) is amended to read:

29 (g) A person, other than a permittee's **member in charge or alternate**  
 30 **member in charge** [MEMBER-IN-CHARGE], may not directly supply a **paper** pull-  
 31 tab series to a registered vendor for sale by that vendor on behalf of the permittee.

1 \* **Sec. 38.** AS 05.15.188(h) is amended to read:

2 (h) If a permittee contracts with a vendor under (a) of this section **for paper**  
 3 **pull-tabs**, the contract must provide that the permittee shall receive **not** [NO] less than  
 4 70 percent of the ideal net.

5 \* **Sec. 39.** AS 05.15.188(i) is amended to read:

6 (i) An amount equal to the ideal net less the compensation owed to the vendor  
 7 shall be paid by the vendor to the **member in charge or alternate member in charge**  
 8 [MEMBER-IN-CHARGE] upon delivery of a **paper** pull-tab series to the vendor for  
 9 sale. The amount required to be paid by the vendor shall be paid by check **or**  
 10 **electronic funds transfer** and [THE CHECK MAY NOT BE DRAWN IN A  
 11 MANNER THAT] the payee **must be** [IS NOT] identified.

12 \* **Sec. 40.** AS 05.15.188 is amended by adding new subsections to read:

13 (l) If a permittee contracts with a vendor under (a) of this section for electronic  
 14 pull-tabs, the contract must provide that the vendor will retain not more than 30  
 15 percent of the gross receipts less the prize payouts.

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

18 (n) A vendor shall report to the department the amount of adjusted gross  
 19 income disbursed to permittees each month. The vendor's portion may not be more  
 20 than 30 percent of the adjusted gross income for paper pull-tabs nor more than 25  
 21 percent for electronic pull-tabs. A distributor may submit the report to the department  
 22 for a vendor.

23 (o) Not later than the fifth day of each month, a distributor shall make  
 24 available a report detailing, for the previous month, the total income from electronic  
 25 pull-tabs, the prizes distributed, and a calculation of the adjusted gross income for  
 26 each vendor location.

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

29 (q) A vendor shall pay the permittee by check or electronic funds transfer and  
 30 identify the payee not later than Thursday of each week for the previous week's sales.  
 31 If a vendor fails to make a payment on time, the distributor shall disable the vendor's

1 electronic pull-tab games until payment is made. If a vendor's payment is 60 or more  
 2 days past due, the Alcoholic Beverage Control Board may suspend the vendor's  
 3 license or permit under AS 04.11.370(c).

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

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

9 (t) A vendor may not accept gifts from a pull-tab manufacturer, an owner or  
 10 employee of a manufacturer, an immediate family member of an owner or employee  
 11 of a manufacturer, or a parent company, sister company, or subsidiary of a  
 12 manufacturer with a total value of more than \$250 per calendar year.

13 \* **Sec. 41.** AS 05.15.640(a) is amended to read:

14 (a) A person may not use broadcasting to [PROMOTE OR] conduct a  
 15 charitable gaming activity under this chapter [EXCEPT THAT A PERSON MAY  
 16 USE

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

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

22 \* **Sec. 42.** AS 05.15.640(c) is amended to read:

23 (c) Notwithstanding (a) of this section, a permittee, an operator, or the holder  
 24 of a multiple-beneficiary permit may use the Internet or an Internet communication to  
 25 conduct a charitable gaming activity for a raffle or lottery, dog mushers' contest,  
 26 derby, or type of classic defined in AS 05.15.690. The permittee, an operator, or the  
 27 holder of a multiple-beneficiary permit may draw winning tickets online or by other  
 28 electronic or digital means. **In this subsection,**

29 **(1) "Internet" means the combination of computer systems or**  
 30 **networks that make up the international network for interactive communications**  
 31 **services, including remote logins, file transfer, electronic mail, and newsgroups;**

(2) **"Internet communication" means an announcement or advertisement disseminated through the Internet.**

\* Sec. 43. AS 05.15.690(1) is amended to read:

(1) "adjusted gross income" means gross income less prizes awarded, **tax collected under AS 05.15.184,** and state, federal, and municipal taxes paid or owed on the income;

\* Sec. 44. AS 05.15.690(33) is amended to read:

(33) "net proceeds" means the gross receipts from an authorized activity less the fee described in AS 05.15.020(b), [THE] expenses [AUTHORIZED BY AS 05.15.160], and the prizes awarded at the activity;

\* Sec. 45. AS 05.15.690(39) is amended to read:

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

\* Sec. 46. AS 05.15.690(40) is amended to read:

(40) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, veterans, labor, political, or educational organization, **school-based extracurricular or co-curricular booster club,** police or fire department and company, dog mushers' association, outboard motor association, or fishing derby or nonprofit trade association in the state, that operates without profits to its members and that has been in existence continually for a period of three years immediately before applying for the license or permit; the organization may be a firm, corporation, company, association, or partnership; in this paragraph, "fishing derby association" means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is to promote interest in fishing for recreational purposes, but does not include an organization formed or operated for gaming or gambling purposes;

\* Sec. 47. AS 05.15.690(46) is amended to read:

(46) "series" means a unit of pull-tabs with the same serial number **or**

**a unit of electronic pull-tabs that have a unique serial number;**

\* **Sec. 48.** AS 05.15.690 is amended by adding new paragraphs to read:

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

(52) "electronic pull-tab system" means individual electronic pull-tabs, portable tablet pull-tab devices, and related hardware and software used to play or facilitate the play of an electronic pull-tab series;

(53) "immediate family member" has the meaning given in AS 39.52.960;

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

\* **Sec. 49.** AS 05.15.060(b), 05.15.115(c), 05.15.150(b), 05.15.160, 05.15.165(b), 05.15.640(b), 05.15.640(g)(2), and 05.15.640(g)(3) are repealed.

\* **Sec. 50.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 05.15.183(m), enacted by sec. 28 of this Act, applies to a contract entered into, renewed, or amended on or after the effective date of sec. 28 of this Act.

\* **Sec. 51.** Section 11 of this Act takes effect January 1, 2031.

\* **Sec. 52.** Except as provided in sec. 51 of this Act, this Act takes effect January 1, 2026.