

2020-2021 Board Members

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Jim Brady, Vice Chair President, Brady Investments, LLC

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KRSA Emeritus

Bob Penney
Founder and Chairman Emeritus

March 24, 2021

Representative Kelly Merrick Chair, House Finance Committee Representative Neal Foster Co-Chair, House Finance Committee

For electronic delivery

Dear Representatives Merrick and Foster,

The Kenai River Sportfishing Association (KRSA) is a nonpartisan, nonprofit fishery-conservation organization that works to ensure the long-term health and sustainability of fishery resources in the Kenai River, Cook Inlet and elsewhere in Alaska, through advocacy of sport and personal use fisheries and the promotion of science-based fishery management and conservation.

We are writing today to express our support for House Bill 128, Use of Internet for Charitable Gaming.

Like many Alaska non-profit organizations, KRSA utilized revenues from gaming (e.g., raffles) to support the work we do in Alaska. While KRSA's focus is on conservation and science-based management of Alaska's public trust fisheries resources, non-profits across our state provide benefits to many aspects of the daily lives of our residents and our environment.

KRSA is grateful for the revised guidance from the Department of Revenue which allowed us to conduct charitable gaming activities online under the Governor's emergency declarations. We took advantage of this guidance in an effort to mitigate the financial impacts of cancelling our traditional in-person fundraising activities, including the Kenai River Classic. Our first statewide raffle was operated by selling tickets online and in person from October through December of 2020. While me made every effort to sell tickets in-person, 54% of our total ticket sales were conducted online.

The success of KRSA's online raffle in 2020 proved to us that online sales represent a viable avenue for fundraising. Unfortunately, without the modernization efforts proposed in HB 128, Alaska non-profit organizations will be held back by an inability to access markets provided by modern e-commerce techniques. These limits hinder our ability to conduct activities which support the important work of our varied organizations.

KRSA supports HB128 and recommends consideration of the following changes:

- Eliminate the following requirements:
 - o That a purchaser to be physically present in Alaska when purchasing a ticket;
 - o That the raffle licensee verify the age and location of a purchaser.
- Replace these requirements with the following:
 - That the ticket purchaser confirm they are of a legal age to purchase a ticket;
 - That the ticket purchaser confirm they are in a location where the purchase of a raffle ticket is not prohibited.



• Finally, clarify that any raffle which is governed by this bill occur in Alaska, and that the winner is determined within Alaska.

We appreciate your consideration of this matter, and look forward to committee action which may help move this important bill forward.

Sincerely,

Ben Mohr

Executive Director



PROFESSIONAL HUNTERS ASSOCIATION, INC.

P.O. Box 240971 ~ Anchorage, AK 99524 Phone: (907) 929-0619

Email: office@alaskaprohunter.org ~ www.alaskaprohunter.org

March 20, 2021

RE: APHA Support for HB 128

Dear Honorable House Finance Committee Members:

The Alaska Professional Hunters Association (APHA) was founded in 1969 and is organized as a 501(c)6. APHA is a trade association representing Alaska's hunting guides and promoting conservation of Alaska's wildlife resources. APHA promotes industry professionalism, land stewardship, community and public relations and advocates for continued access to state and federal public lands. As an example, APHA put its boots on the ground while ANILCA was being drafted to ensure access to federal conservation units would continue and rural economic opportunities would be maintained.

More recently APHA has begun sponsoring youth essay contests to promote interest in wildlife conservation, enforcement or becoming a hunting guide. APHA has also worked to promote the Alaska Native Hospital in Anchorage's traditional food program to the benefit of elders in long-term care. APHA also promotes governor tags by auctioning a few each year (financial proceeds benefit ADFG) and by working to match guide trip donations to other conservation organizations efforts to add value to their offering and bring in more money for conservation efforts. The APHA holds a charitable gaming permit and we use this permit to offer raffles and raise money for all of these various efforts in partnership with the State of Alaska.

The APHA is grateful for the statutory and regulatory leeway afforded us during the pandemic to not just advertise our raffles but actually sell tickets online. Because the pandemic forced us to cancel our in-person banquet this year, these rule suspensions were especially valuable, all our programs remained viable through the pandemic. Looking forward we see the need to modernize Alaska's statutes and explicitly allow online sales. As important as online sales is the reduction in administrative workload and mitigation of liability. The APHA works hard to keep administrative staff to a minimum and push its resources into the group mission. HB 128, as written, would diminish the potential value of our raffles while increasing administrative burden and liability.

The APHA suggests the following changes:

- Eliminate the requirement for a purchaser to be a resident of the State of Alaska
- Eliminate the requirement that the raffle licensee verify the age and location of the purchaser
- Eliminate the prohibition on sales to people located out of state
- For internet sales, the purchaser (and not licensee) will verify:
 - o That the individual is of legal age to purchase the raffle ticket
 - That the individual resides in a state where the purchase of a raffle ticket is not prohibited
- Clarify that any such raffle governed by this bill does occur within the state of Alaska and the winner is determined in the State of Alaska

The APHA's members graciously are willing to donate their trips to us and other Alaskan non-profits to raise money for conservation. The gross price and market size for these value-added tours is significantly more if non-residents can purchase tickets. This would be true for any donated Alaskan tour whether it be a hunt or a scenic flight or bear viewing adventure. We hope the legislature will help level the playing field with out-of-state non-profits and help Alaskan charities realize of donated visitor experiences. Alaska is a world class visitor destination, absent adoption of the above changes the tourism non-profits whose market is out-of-state will become a disadvantaged sector.

Sincerely,

Sam Rohrer

President



March 20, 2021

RE: AKWSF Support for HB 128

Honorable Members of the House Finance Committee:

Alaska Wild Sheep Foundation (AK WSF) offers the following comments in support of HB 128.

AK WSF is an Alaska non-profit 501(c) (3) corporation with the mission of supporting conservation of wild sheep, Rocky Mountain goats and muskoxen (Caprinae) in Alaska. Twenty-five percent of all the wild sheep in North America live in Alaska making the 49th state's wild population an international treasure. All of Alaska's wild sheep populations are naturally occurring in large intact contiguous habitats. Rocky Mountain goats in Alaska are a mix of naturally occurring and transplanted populations. All muskox in Alaska are part of reintroduced population in areas where they occurred naturally before being extirpated before the turn of the 20th century.

AK WSF routinely partners with ADFG to promote wise conservation practices for all three species of Caprinae for the benefit of Alaskans by directly contributing to ADFG's wildlife conservation fund. AK WSF and our parent organization, WSF, have directly contributed over \$2M to ADFG. These contributions qualified for federal Pittman/Roberson match at a 3:1 ratio for a total financial benefit to Alaska of over \$8M. These funds by law cannot be dedicated to only Caprinae research and management so they benefited all Alaskan species. Our total contribution in 2020 of \$120K was especially important as ADFG experienced revenue shortfalls due to a reduced number of non-resident hunters traveling to Alaska during the pandemic.

AK WSF's has historically relied on strong in-state fundraising efforts with a large percentage of funds being raised using raffles operated under Alaska's charitable gaming rules. In addition to these raffles, we also rely on Governor's tags awarded to AK WSF to auction to either residents or non-residents. Non-Alaskan participation in the auction program has always raised significant revenue for wildlife management in Alaska. Expansion of our raffle programs to include the non-Alaskan sportsman's community would increase the revue in that area exponentially.

Before the pandemic AK WSF hosted the largest in person wildlife conservation banquets in the state. In 2020 the COVID-19 pandemic forced AK WSF to adapt and develop alternative strategies to raise money to continue our mission. The legislature's disaster declaration and subsequent extensions allowed for online sales of raffle tickets, these online sales were critical to our ability to carrying on when large in person events were simply not safe or feasible. Suddenly Alaskan's who previously felt left out were included by being able to purchase tickets online. Including more Alaskans in the effort to raise money for wildlife conservation is something we view as a significant success.

Alaskan sportsmen and women often purchase raffle tickets online from non-Alaskan non-profits for contests being held in other states. Conversely, Alaska's charitable gaming statutes prohibit our non-profits from selling raffle ticket online outside of Alaska. HB128 as currently drafted would continue to explicitly prohibit out-of-state sales and place the liability to prove the legality of raffle ticket purchases on the charitable organization conducting the raffle. We would like the legislature to put Alaskan non-profits on even footing with non-profits in other states.

AK WSF suggests the following changes to HB 128:

- Eliminate the requirement for a purchaser to be a resident of the State of Alaska
- Eliminate the requirement that the raffle licensee verify the age and location of the purchaser
- Eliminate the prohibition on sales to people located out of state
- For internet sales, the purchaser (and not licensee) will verify:
 - o That the individual is of legal age to purchase the raffle ticket
 - o That the individual resides in a state where the purchase of a raffle ticket is not prohibited

Clarify that any such raffle governed by this bill occurs within the state of Alaska and the winner is determined within the State of Alaska.

Sincerely

Kevin J Kehoe President

Alaska Wild Sheep Foundation

Kevin I Kehre

Anchorage, AK 99516



JORDAN ADAMS

Business Manager/ Secretary-Treasurer

TODD PEPLOW President

HEADQUARTERS

25IO Arctic Blvd. Anchorage, Alaska 99503 FAX (907) 279-7171 (907) 276-7211

2122 Airport Way Fairbanks, Alaska 99701 FAX (907) 456-1771 (907) 452-5024

722 West 9th Street Juneau, Alaska 99801 FAX (907) 586-5757 (907) 586-6993

Dear Legislators:

Please support and pass HB-128 / SB-77: USE OF INTERNET FOR CHARITABLE GAMING with amendments to remove language related to guarantees of age and location.

I am the Business Manager for the Public Employees Local 71 Laborers Union. That title means that I oversee the day-to-day operations of our union. In 2019 we established the Denis J. Moen Scholarship and Welfare Fund to assist our members and their families with tragedies, training, and higher education. We provide scholarships to members and their immediate family members, including grandchild dependents for certifications, training, college, and post-graduate work. We also assist members experiencing disasters like home fires and floods. This year these funds were vital to supporting our grieving and displaced members after the mudslides in Southeast AK. We use our charitable gaming permit, and revenues from our contracted operator to fund this account.

As you know, the pandemic response greatly curtailed the ability to sell the products that generate these funds. Luckily, the state's disaster declaration included removal of the prohibition of online sales for charitable gaming. This change was long overdue.

Making this feature permanent benefits all recipients of non-profit services in Alaska. Disaster relief, veterans, youth-sports, foster care, scholarships, and capital projects all benefit from charitable gaming. The State has long recognized the work our charities do to provide services the state budget cannot afford. It was with this in mind that the Charitable Gaming Act was designed, and it is time for this act to catch up with the times.

We have demonstrated that this program works. We have proven that we can be accountable to the Department of Revenue, and we argue now, that it may be the only way some of us will survive to continue to do our good work.

The current version of the bill placed an undue and unnecessary burden on us to verify age and location of purchasers and restricts sales to anyone outside Alaska. We urge you to remove these references for the success of the program. **Additionally, striking the requirement that winners be drawn "by lot" would allow for greater flexibility.** "By lot" requires the printing of physical tickets, which must be drawn from a barrel, when other options just as viable. Currently the ADF&G chooses hunt drawing winners using a computer.

The revenue brought in by charitable gaming supports the state budget directly through fees and the relief to the budget brought by Alaska's charities which provide direct services to communities.

Thank you for the work you do, and for your recognition of the good works of our Alaska non-profits. Please pass this legislation with the amendments we have recommended.

Respectfully,

Jordan A. Adams

Business Manager Secretary / Treasurer

Health Trust Chair

From: David Lambert <

Sent: Friday, March 26, 2021 8:45 AM

To: House Finance

Subject: HP 128

I am a licensed charitable gaming operator who raises funds for over 20 Alaskan on profits through charitable gaming. The ability for online sales for raffle and lottery tickets is keeping up with the times and has been a big beneficial to raise funds for the nonprofits.

My concern with the bill is that it over regulates the nonprofits and jeopardizes their permit.

None of the gaming activities listed in this bill have a minimum age requirement. Establishing a minimum age requirement is not a benefit to the nonprofits that need the funding. Do you really want to limit The age of someone that can sell or purchase a raffle ticket?

What is the purpose of trying to restrict sales to someone outside the state of Alaska. Why would we want to restrict the ability of nonprofits to benefit from outside sales?

The restriction not to sell to someone in an area that has utilize the option of opting out of charitable gaming needs to be removed. The intent of this was established Pulltab and Bingo locations not activities listed in this legislation. This legislation calls for the immediate suspension of a gaming permit for an organization that sells a raffle ticket to someone in a restricted area. This is ridiculous and needs to be removed. Online sales are completely different than a physical location.

Other items that need to be considered in this legislation is the restriction by current state statutes That requires an operator to have a lease agreement, insurance, a license and a permit for each and every location that an operator sells a lottery ticket. What this means that if I wanted to tell you a lottery ticket in your office I would have to get a list from the state of Alaska for your office, I would have to get insurance on your office and then I would have to get a state license and permit to sell you a raffle ticket in your office. If that requirement is not removed Katrina Mitchell the new Gaming supervisor for the charitable gaming division who interprets statutes and regulations as strictly as possible could require that we get a lease for your office before we could do an online sale to you.. The lease requirement should only apply to Bingo and Pull TabsThat are typically sold in a assigned location.

To keep up with the times I would also recommend that under statutes definitions for raffles and Lottery the word LOT Be removed from the definition. It requires raffles and Lottery's to be drawn by a lot. The word lot means a barrel drawing and does not allow the charitable gaming division to authorize any other means. The state run lottery run by the Department of Fish and game for hunting permits is exempt from driving by lot. They use a computer to select the winners of the hunting permits. It would be beneficial to make this update and give the charitable gaming division the authority to authorize other means.

I am currently recovering from total knee replacement so I'm doing this on my phone. I hope these recommendations make sense to you. If you have any questions please give me a call. I represent over 20 nonprofits.

David Lambert

Sent from my iPhone

From: Jennifer Yuhas <jennifer@local71.com>
Sent: Thursday, March 25, 2021 3:17 PM

To: Sen. Tom Begich; Sen. Click Bishop; Sen. Mia Costello; Sen. Elvi Gray-Jackson; Sen. Lyman Hoffman;

Sen. Roger Holland; Sen. Shelley Hughes; Sen. Scott Kawasaki; Sen. Jesse Kiehl; Sen. Peter Micciche; Sen. Robert Myers; Sen. Donny Olson; Sen. Lora Reinbold; Sen. Joshua Revak; Sen. Mike Shower; Sen. Bert Stedman; Sen. Gary Stevens; Sen. Natasha Von Imhof; Sen. Bill Wielechowski; Sen. David Wilson;

Eastman; Rep. Bryce Edgmon; Rep. Zack Fields; Rep. Neal Foster; Rep. Ronald Gillham; Rep. Sara Hannan; Rep. Grier Hopkins; Rep. DeLena Johnson; Rep. Andy Josephson; Rep. James Kaufman; Rep. Jonathan Kreiss-Tomkins; Rep. Christopher Kurka; Rep. Bart LeBon; Rep. Kevin McCabe; Rep. Ken McCarty; Rep. Thomas McKay; Rep. Kelly Merrick; Rep. David Nelson; Rep. Daniel Ortiz; Rep. Josiah Patkotak; Rep. Mike Prax; Rep. Sara Rasmussen; Rep. George Rauscher; Rep. Calvin Schrage; Rep. Laddie Shaw; Rep. Liz Snyder; Rep. Ivy Spohnholz; Rep. Andi Story; Rep. Louise Stutes; Rep. Geran Tarr; Rep. Steve Thompson; Rep. Cathy Tilton; Rep. Chris Tuck; Rep. Sarah Vance; Rep. Adam Wool;

Rep. Ben Carpenter; Rep. Matt Claman; Rep. Mike Cronk; Rep. Harriet Drummond; Rep. David

Rep. Tiffany Zulkosky

Cc: Jordan Adams; Trenton English

Subject: SUPPORT HB128/SB77 with Amendments

Attachments: Pass Online Charitable Gaming w Amendments Jordan Adams 3-24-2021.pdf

Please find attached testimony supporting Online Charitable Gaming from Jordan Adams. Thank you,

Jennifer Yuhas Strategic Communications Director Public Employees Local 71 Jennifer@Local 71.com



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From: Ben Mohr <ben@krsa.com>

Sent: Thursday, March 25, 2021 9:27 AM **To:** Rep. Neal Foster; Rep. Kelly Merrick

Cc: Rep. Zack Fields

Subject: KRSA Letter of Support for HB 128, recommended changes **Attachments:** Support HB128 2021 - Charitable Gaming Modernization.pdf

Good morning -

Please find KRSA's letter of support for HB128, along with limited recommended changes, attached. Happy to answer any questions or build out on this if you'd like.

Thanks,

Ben Mohr

Executive Director

Kenai River Sportfishing Association

From: Kevin J Kehoe <kevinkehoe@alaskan.com>

Sent: Saturday, March 20, 2021 3:10 PM **To:** House Finance; Rep. Zack Fields

Cc: 'Thor Stacey'

Subject: Letter of Support for HB 128

Attachments: AK WSF Letter in Support of HB128.pdf

March 20, 2021

RE: AKWSF Support for HB 128

Honorable Members of the House Finance Committee:

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AK WSF routinely partners with ADFG to promote wise conservation practices for all three species of Caprinae for the benefit of Alaskans by directly contributing to ADFG's wildlife conservation fund. AK WSF and our parent organization, WSF, have directly contributed over \$2M to ADFG. These contributions qualified for federal Pittman/Roberson match at a 3:1 ratio for a total financial benefit to Alaska of over \$8M. These funds by law cannot be dedicated to only Caprinae research and management so they benefited all Alaskan species. Our total contribution in 2020 of \$120K was especially important as ADFG experienced revenue shortfalls due to a reduced number of non-resident hunters traveling to Alaska during the pandemic.

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 - o That the individual resides in a state where the purchase of a raffle ticket is not prohibited

Clarify that any such raffle governed by this bill occurs within the state of Alaska and the winner is determined within the State of Alaska.

Sincerely

Kevin

Kevin J Kehoe President Alaska Wild Sheep Foundation Anchorage, AK 99516

Kevin J Kehoe President Alaska Wild Sheep Foundation



13845 Mainsail Drive Anchorage, AK 99516 Office (907) 868-8861 Mobile (907) 441-6323 KevinKehoe@alaskan.com **From:** Deborah Moore <office@alaskaprohunter.org>

Sent: Saturday, March 20, 2021 12:31 PM

To: House Finance

Subject: Support Letter for HB 128

Attachments: HB128 Letter.pdf

Dear Finance Committee,

Attached is a support letter from the Alaska Professional Hunters Association for Representative Zack Field's HB 128. Please include this letter in the bill packet.

Don't hesitate to reach out with any questions.

Kind regards,

Deb Moore Executive Director Alaska Professional Hunters Association P.O. Box 240971 Anchorage, AK 99524 907-929-0619

office@alaskaprohunter.org Website: alaskaprohunter.org