



# HB 197

# Electronic Gaming on AMHS Ferries

By The Office of Representative Jesse Sumner

# Sponsor Statement

- House Bill 197 would legalize electronic gaming on the AMHS Ferry System, and on the Alaska Marine Hwy. Currently in Alaska Statute, only pull tabs, bingo, raffles, and certain dog mushing activities are legal forms of gaming. HB197 would legalize additional games to only be played on vessels, and in approved waters.
- This bill would generate revenue for our failing ferry system, which has not turned a profit since its inception. Tourist season in the southeast sees upward of 1.5 million people pass through per year, with close to \$800 million dollars spent in our great state. Allowing these tourists, and for the citizens of Alaska, to enjoy gaming on the ferry system would create revenue, jobs, and opportunities for our state and the people in it.
- Other states with similar gaming concepts (i.e. riverboat gaming, gaming on water) have seen massive increases in revenue, which result in additional funding to their education systems and other important agencies. The ferry system and the Alaska marine highway are currently generating a loss of revenue every calendar year, and House Bill 197 aims to stop that downward trend.

# SECTIONAL ANALYSIS

## Section 1

AS 05.15.020 is amended to add a new subsection to require an annual permit to conduct gaming activities on vessels 3 miles from land on The Alaska Marine Highway. The cost of the annual permit is \$10,000.

## Section 2

AS 05.15.060(a)(11) is amended to establish standards for online ticket sales to ensure compliance with charitable gaming laws, including age and location verification requirements

AS 05.15.060(a) amends sub-section (12) to include gaming activities on vessels of The Alaska Marine highway system;

AS 05.15.060(a) amends to create subsection (13) to reflect the current legal subsection (12)

## Section 3

Section 3 is amended to include new sections that define Gaming on The Alaska Marine Highway system vessels.

### Sec. 05.15.300.

- Allows gaming activities in designated areas on vessels, three miles away from shore
- Limited to persons 21 years of age or older
- 10% of gross receipts (minus prizes) must be paid to the Department of Revenue
- Record-keeping requirement for all gaming transactions
- Only one permit per vessel allowed by the department of Commerce, Community, and Economic Development
- Multiple types of gaming activities permitted on a vessel if the person holds a permit for each activity and vessel.

### Sec. 05.15.310. Permits

- The Department of Commerce, Community, and Economic Development has the authority to issue permits for gaming activities on a vessel
- Permits granted to qualifying organizations or registered businesses in good standing with the Department of Commerce, Community, and Economic Development
- Requires a contract with a qualified organization to operate gaming activities on behalf of that organization.

### Sec. 05.15.320. Penalty

- A person who conducts a gaming activity onboard a vessel without a valid permit defined in this bill is guilty of a class B misdemeanor

### Sec. 05.15.320. Definitions

- “gaming activity” means bingo, pull-tab activities, raffles, lotteries, card games, dice games, slot machines, video lottery terminals, or other games of chance authorized by the department of commerce, community, and economic development;
- “vessel” means a vessel of the Alaska marine highway system.

## Section 4

- This Act takes effect July 1, 2024





## **CURRENT REGULATIONS FOR GAMBLING IN ALASKA**

In Alaska, gambling is regulated under Alaska Statutes Title 5 and the Alaska Administrative Code 15 AAC.160, which establish the process for obtaining a permit to conduct gaming and outline the procedures and restrictions for games. Land-based gambling is limited while online gambling remains unregulated, with local businesses prohibited from operating online casino sites.



# ECONOMIC BENEFIT

## Potential Revenue from Legalized Gambling

1

The introduction of electronic gaming on AMHS ferries has the potential to generate additional revenue through fees, taxes, and a percentage of gaming income, similar to land-based casinos, contributing to the funding of maritime services.

2

Implementing electronic gaming on ferries could create diverse job opportunities, spanning roles from casino staff to managerial positions, benefiting local employment and supporting the communities served by the AMHS.

3

Legalizing electronic gaming on AMHS ferries offers significant economic benefits, including increased revenue, job creation, and boosted tourism. The ferry system could profit from fees and taxes while creating jobs, attracting more tourists, and fostering regional economic growth through reinvestment of gaming-related revenue.



# Gross gaming revenue of casinos in the United States in 2022, by state (in million U.S. dollars)



★ \*These States legalized River Boat Gaming

## SUCCESS STORIES FROM OTHER STATES

Published by [Statista Research Department](#) (2023), the gross gaming revenue of casinos in the United States was highest in Nevada, Pennsylvania, New Jersey in 2022. Nevada reported a gross gaming revenue of 14.84 billion U.S. dollars in 2022. In the same year, the total gross gaming revenue of U.S. casinos amounted to over 60 billion U.S. dollars.