

Dear Committee Members,

I believe that we will want the electronic pull tabs but should take a little more time to seriously consider this bill to make sure that it is written in a fair and very thought-out manner instead of these amendments being written and proposed by the “salesman” in the industry. There are too many holes in this bill that can be exploited.

**I have attached a letter that was sent to North Dakota pull tab distributors from Arrow showing that they have an incentive program for the vendors and distributors to monopolize the Alaskan industry, taking away the competitiveness, they claimed is supposed to happen in the last hearings.**

#### **GENERAL ELECTRONIC PULL TAB CONCERNS**

- Estimated 30% - 35% COG for the electronic pull tabs is just a guesstimate which can be raised with no cap, squeezing the permittees profit. (Some states pay up to 50% of their net for the electronic pull tabs.)
- It is not clear in these amendments where the electronic pull tabs and equipment will specifically be placed. Only locations that are a verified vendor, operator location or self-direct location only that currently sells paper pull tabs, where there is a clerk to oversee? Will these be located where an underage person can play these machines without a clerk overseeing them. Will these be placed in the little mini marts, gas stations with a small chair like in the lower states.
- This bill, as it is written, also affects bingo halls unfairly. Operators and vendors have limits on the electronic machines that no other types of permittees have. For Example: Tudor road Bingo run by an operator with upward of 200 seats receives 10 units while Gold Cash Bingo, similar in size is an MBP which would have NO limits on units for this bingo hall.

Are we really going to accept Casinos in Alaska?

Section 2 - AS 05.15.180 (a) Unless expressly authorized by the department, this [THIS] chapter 12 does not authorize the use of playing cards, dice, roulette wheels, coin-operated

instruments or machines, or other objects or instruments used, designed, or intended primarily for gaming or gambling, or any other method or implement [NOT EXPRESSLY AUTHORIZED BY THE DEPARTMENT].

As written, and no guardrails this would allow a great opportunity for misappropriation and no accountability. Without these rules being in Statute form they can willingly change the regulations to accommodate unfair competition.

What would be the qualifications of a nonprofit organization to get approval? Would someone get approval that is not associated with a nonprofit organization? What are the tax percentages on these operations? Should these types of activities be taxed at a higher rate?

Lisa Ally  
Alaska Specialty Products / Manufacturer

