

ALASKA DISTRICT COUNCIL OF LABORERS

Laborers' International Union of North America
2501 Commercial Drive • Suite 140 • Anchorage, Alaska 99501
907.276.1640 • Fax: 907.274.7289 • info@alaskalaborers.com

March 15, 2024

Joey Merrick

Business Manager
Secretary-Treasurer
District Council

Business Manager
Laborers' Local 341

Senate Labor & Commerce Committee
State Capitol Room 9
Juneau AK, 99801

Submitted via email: Senate.Labor.And.Commerce@akleg.gov

Jacob Howdeshell

President
District Council

Business Manager
Laborers' Local 942

Subject: Opposing SB 146 Electronic pull-tabs

Dear Chair Bjorkman and Senate Labor & Commerce Committee Members:

The Alaska District Council of Laborers opposes SB 146 because we are concerned that this legislation could limit the share of the pie going to Alaska nonprofits. In addition, we believe the electronic pull-tab manufacturing costs would result in revenue leaving the Alaska economy.

The Alaska Laborers is made up of over 5,000 Alaskans working across the construction, oil and gas, service, tourism, public, and healthcare sectors. Our members plow our highways, provide transportation to vulnerable community members, maintain our Pioneer Homes, clean our schools, and provide other public services that are essential for the safety and prosperity of our communities. Our scholarship funds receive proceeds from charitable gaming to support students pursuing educational opportunities.

SB 146 would allow the expansion of traditional paper pull-tabs to include electronic pull-tabs and increases the maximum in prizes from \$500,000 to \$3,000,000 for electronic pull-tabs and a maximum of \$2,000,000 for other gaming prizes. Charitable gaming is an important funding mechanism for Alaska nonprofits, but we believe there are significant downsides to the proposed legislation.

SB 146 Risks Reducing Proceeds for Alaska Nonprofits.

Both the high manufacturing costs and larger prize amounts going to players will contribute to undercutting the funding stream going to Alaska nonprofits that benefit from charitable gaming. A manufacturer testified in committee that the costs for E-tabs are 30-35% higher than traditional pull-tabs given the expenses of manufacturing and other digital device-related

Jordan Adams

Vice President
District Council

Business Manager
Public Employees Local 71

costs. It would therefore take a large increase in the rates of play to make up for these manufacturing costs.

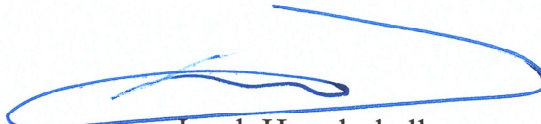
SB 146 sets the max to \$3,000,000 in prizes each year for electronic pull-tab activities. To make electronic pull-tabs more desirable for players, the devices are programed so that players win higher amounts. Having higher prize winnings also reduces the share of the pie left for Alaska nonprofit organizations.

The Manufacturing of Electronic Pull-Tabs Sends Funds Outside the Alaska Economy.

The digital devices used for electronic pull-tabs would increase the manufacturing costs for charitable gaming. The manufacturing companies from outside the state support this legislation, and funds to pay these manufacturing costs would go out of state. We should focus on strategies to boost the local economy and local organizations, but this legislation misses the mark. It is also possible that electronic pull-tabs could undercut the use of paper pull-tabs which are successfully used to benefit nonprofits.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Jacob Howdeshell

Konrad Jackson

From: Callie Conerton <callieconerton@gmail.com>
Sent: Tuesday, March 12, 2024 8:04 PM
To: Senate Labor and Commerce
Subject: No to SB146

Hello Senate Labor and Commerce Committee,

My name is Callie Conerton and I am a lifelong Alaskan. I value the nonprofit work that Alaskan communities need in order to thrive. A huge contributor to raising funds for nonprofits is pull tabs.

I teach here in Juneau at a local public Montessori school. Although it is public, a nonprofit geared towards Montessori education is the only way we are able to offer an enriching and full Montessori experience as a public school.

If this bill passes, nonprofits all over Alaska will suffer, and thus communities will also suffer. It may seem like a small statue, however, it has huge impact throughout Alaska and the ripples will turn into huge waves.

Please oppose SB 146.

Thank you,
Callie Conerton

Konrad Jackson

From: Charlene Martin <charlenetwoboy@gmail.com>
Sent: Wednesday, April 17, 2024 10:32 AM
To: Senate Labor and Commerce
Subject: Support letter

Dear Honorable Senate of Labor & Commerce Committee,

I am writing to urge your support for HB 200/SB 146, legislation crucial for modernizing our charitable gaming law by legalizing electronic pull tabs. This bill holds immense potential not only for supporting organizations like the American Legion but also for advancing vital initiatives such as suicide prevention and awareness education.

As a member of the American Legion, I am deeply committed to our mission of serving veterans and communities. One critical aspect of our work involves addressing the mental health challenges faced by veterans, including the alarming rates of suicide. By legalizing electronic pull tabs, we can harness this platform to raise funds specifically earmarked for suicide prevention programs and awareness campaigns.

The American Legion is uniquely positioned to leverage the popularity of charitable gaming to initiate conversations about mental health and suicide prevention. Through targeted education and outreach efforts funded by electronic pull tab proceeds, we can provide essential resources, support networks, and training to identify and assist those at risk.

Studies have shown that access to mental health resources and community support can significantly reduce suicide rates. By integrating suicide prevention and awareness education into our charitable gaming initiatives, we can make a tangible difference in the lives of veterans and their families.

I implore you to recognize the potential of HB 200/SB 146 not only as a means of supporting organizations like the American Legion but also as a catalyst for promoting mental health and saving lives. Your support for this legislation is a vote for the well-being of our communities and the individuals who have bravely served our nation.

Thank you for considering this critical issue.

Respectfully submitted,

Charlene Martin

-American Legion Jack Henry Post #1 Commander 2024-2025 -American Legion Unit #29 President 2023-2024.

Sent from my iPhone



Dear Honorary Committee Members,

I am writing to express my strong support for HB 200/SB 146, a bill to modernize charitable gaming through the authorization of electronic pull tabs. I am speaking for myself as a member of American Veterans (AMVETS) Organization both as a Programs Coordinator for Post 2 and as the Department of Alaska Commander, additionally I belong to the American Legion, the Veterans of Foreign Wars (VFW), and the Fraternal Order of Eagles. All of these organizations rely on charitable gaming as a means of fundraising. We use the funds from charitable gaming to support our local community, families, schools and veterans.

Information from other states makes it clear that electronic pull tabs increase revenue to charities. In the states where electronic pull tabs are operated, charities experience significant increases in revenue. The electronic games are popular and drive business. [In addition, veteran and fraternal organizations, like ours, often enjoy membership expansion, giving new life to these organizations and contributing to their long-term sustainability.] One hundred percent of our members are volunteers and gaming supports our efforts more than any other means to help our veterans. The social rooms that are created for veterans to visit with other veterans, share stories, participate with other entities taking care of veterans and encouraging young folks to be involved in their communities by helping others like Fisher House, The Last Frontier Honor Flight, JROTC Programs, the Domiciliary, the Alaska Veterans Museum, just to name a few.

Electronic pull tabs also streamline and simplify reporting. They are less work, more accurate, and because they capture all transactions, more accountable. Electronic pull tabs will be beneficial to all Alaska charities. I urge your support of [HB 200/SB 146.]

Respectfully,

/s/
Christa Foli
Department Commander
AMVETS Dept. of Alaska

CC:

Konrad Jackson

From: David Vick <davidorrinvick@yahoo.com>
Sent: Saturday, March 16, 2024 7:21 AM
To: Senate Labor and Commerce
Subject: SB 146

I want to go on record as opposing SB 146 as it is written. I am Board Treasurer of Friends of Creamers Field in Fairbanks. A portion of our revenue derives from gaming proceeds. These revenues go towards upgrading and maintaining the facilities at the historic Creamers Dairy Waterfowl Refuge. Thank you.



Virus-free, www.avast.com

Konrad Jackson

From: deanna partow <dkpartow@gmail.com>
Sent: Tuesday, March 19, 2024 11:28 AM
To: Senate Labor and Commerce
Subject: FW: Gaming Electronic Pulltabs legislation concerns

Follow Up Flag: Follow up
Flag Status: Flagged

Dear members of AK House Labor and Commerce and members of Senate, Labor and Commerce,

We are writing to you regarding HB 200 and SB 146. Both these bills are titled Gaming Electronic Pulltabs.

We are a non-profit sled dog association, benefitting to keep the Alaska State sport alive in SouthCentral Alaska. Without these contributions, many native Alaskans and non-native Alaskans will find it more difficult to attend races as the clubs will have a more difficult time keeping the trails and infrastructure going.

Many other non-profits benefit from Gaming in this state and it would be an embarrassing shame to not have the input and laws amended for our state by our state's people.

We oppose this legislation as written. It needs a major rewrite through amendments. It was written by an out-of-state manufacturer to benefit them and not the nonprofits. These emails can come from both your organization and your members personally. Time is of the essence in notifying them that we cannot support this legislation as written.

We request that you do not pass the legislation out of committee until major amendments are implemented.

Some of the major concerns are as follows:

This legislation was written by an out-of-state electronic pulltab manufacturer that also owns a majority of the paper pulltab manufacturers. They have unlimited resources and have hired two lobbying firms to persuade the legislators. It is written to benefit them and not Alaska nonprofits. For three years now they have been telling us that 50% of the profit would go out-of-state to them. Now they are telling the legislators that it would only be 35% going out-of-state. That is more money than the nonprofits would receive.

The legislation as written creates an opportunity for them to have a monopoly. They recently purchased the Whaler pulltab distributorship. Because they own most of the paper pulltab manufacturers they will most likely stop selling their product to the other pulltab distributors. Creating a scenario where they can charge whatever they want after they put the other pulltab distributors out of business. This legislation needs to include that a pulltab or electronic pulltab manufacturer cannot also hold a distributors license in the state of Alaska. This is necessary to protect the nonprofits

AS 05.15.180 A. This bill gives the department the authority to authorize any type of gambling operation without going back to the legislators or the public. It is not a good ideal to let that happen.

As this legislation was written by an out-of-state manufacturer they have included language that could possibly limit their competition from other manufacturers.

Alaska nonprofits need to be involved in the rewrite of this legislation. There are too many issues that need to be addressed that may lead to unintended consequences. Any changes in legislation need to be written and supported by Alaska nonprofits to benefit Alaska nonprofits and not an out-of-state manufacturer they can afford high paid lobbyists.

Alaska has one of the best charitable gaming systems in the country to benefit Alaska nonprofits. We do not want to jeopardize this with the passing of this legislation as written. Please take the time to send an email to each of the committees. If you know any of the legislators personally it would help to contact them. As I stated previously this is something we're going to need to do in the future but the legislation has to benefit Alaska nonprofits and not outside interests.

Deanna Partow
Chugiak Dog Mushers Association

Konrad Jackson

From: Jen Anderson <forgetmenotrecording@gmail.com>
Sent: Thursday, April 04, 2024 11:17 AM
To: Senate Labor and Commerce
Cc: Dave Lambert
Subject: HB 200 and SB 146 Opposed as Written

This legislation was written by an out-of-state electronic pulltab manufacturer that also owns a majority of the paper pulltab manufacturers. They have unlimited resources and have hired two lobbying firms to persuade the legislators. It is written to benefit them and not Alaska nonprofits. For three years now they have been telling us that 50% of the profit would go out-of-state to them. Now they are telling the legislators that it would only be 35% going out-of-state. That is more money than the nonprofits would receive.

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Thank you,

Jennifer Anderson

Treasurer

Delta/Greely Youth Hockey & Skating Association

Thank you,
Jennifer Anderson

Loan Signings Bookkeeping

✉ forgetmenotrecording@gmail.com

Delta Junction, Alaska

Konrad Jackson

From: Josh Gregory <coachjosh@aksst.com>
Sent: Wednesday, March 13, 2024 1:57 PM
To: House Labor and Commerce; Senate Labor and Commerce
Cc: Rosemarie Lambert; Renewals Nonprofits
Subject: HB 200 & SB 146 - Amendments Needed

Follow Up Flag: Follow up
Flag Status: Flagged

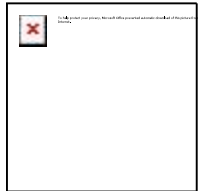
Alaska Labor and Commerce Committee,

I am requesting that HB 200 and SB 146 do not pass out of committee until major amendments are implemented, particularly the inequitable language created by an out-of-state manufacturer. As written, this legislation would have a direct negative impact on Alaskan non-profit organizations such as the Stingray Swim Team in Fairbanks. We appreciate your sensitivity and understanding as we continue to make progress for Alaska.

I am the head coach, CEO of a Fairbanks local non-profit USA Swimming club. We rely heavily on our generous partnership with Dave Lambert and Emerald Isle Pull Tabs. Without their contribution, we would not be able to offer the level of service our members have come to expect. Our continued future and progress is correlated to the future of gaming in Alaska. Thank you for putting local interests ahead of lower-48 profits.

--

Josh Gregory



[Stingray Swim Team](#) Head Coach, CEO

PO Box 72301

Fairbanks, AK 99707

970-689-1407



Konrad Jackson

From: Lena Merrell <alaskanlena@gmail.com>
Sent: Tuesday, March 12, 2024 8:26 PM
To: Senate Labor and Commerce
Subject: Please don't move forward with SB146

Members of Labor and Commerce and

My name is Lena Merrell and I live in Juneau Alaska. It has been brought to my attention that there is an amendment to SB146 that will ultimately eliminate all benefits to non-profits, while also not adding anything to State funds. My children attend Montessori Borealis Public School and we depend upon funds from SEAFOM (Southeast Friends of Montessori). Unfortunately without the funds raised from pull tabs, my children wouldn't have access to Montessori trained teachers, music or montessori style classroom supplies. Other nonprofits that I'm aware of that use pull tab income include the Juneau Ski Team and Juneau Mountain Rescue. These organizations depend on these funds to continue to exist. I don't have a profound understanding of gambling and state statutes, but I do know that taking non-profits out of the equation will be detrimental to many organizations I depend on and love.

I urge you to put the brakes on this legislation, and only move forward with improvements for non-profit organizations. Otherwise the purpose of charitable gaming is missed and we are padding the pockets of a few out of state companies with no benefit to Alaskans.

Thank you for your time.

Lena Merrell
1323 Glacier Highway
Juneau AK 99801

Sent from my iPhone

Ray Huot
6447 Greenwood St.
Anchorage, Alaska 99518

Senate Labor And Commerce Committee

Dear Committee Members,

I am writing to express my continued support for the modernization of charitable gaming in Alaska, particularly in relation to Senate Bill 146. As Pull-tab distributor and engaged member of the community, I believe that the passage of SB 146 is crucial for the prosperity and sustainability of charitable organizations across our state.

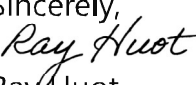
Senate Bill 146 presents an opportunity to update Alaska's charitable gaming laws to reflect the evolving landscape of gaming technology and consumer preferences. By allowing the use of electronic pulltabs in charitable gaming, SB 146 will enable organizations to expand their fundraising capabilities in an increasingly digital world.

The implementation of electronic pulltabs under SB 146 will streamline operations for charitable organizations. Electronic pulltabs offer greater efficiency in tracking sales, managing inventory, and ensuring compliance with regulatory requirements.

SB 146 represents a significant economic opportunity for Alaska. By embracing technological innovation in charitable gaming, our state can stimulate job growth, support local businesses, and strengthen the overall economy. The revenue generated from electronic pulltabs will directly benefit our communities by funding vital programs and services that improve the quality of life for all Alaskans.

I urge you to support Senate Bill 146 and prioritize its passage for the betterment of our state. By modernizing Alaska's charitable gaming laws, we can make a positive impact on the lives of countless individuals and families.

Thank you for your attention to this matter, and I look forward to seeing SB 146 successfully enacted into law.

Sincerely,

Ray Huot
President
Whaler Casino Supply

Konrad Jackson

From: Goldstream Valley Lions Club <info@goldstreamvalleylions.org>
Sent: Monday, March 18, 2024 3:31 PM
To: Senate Labor and Commerce
Subject: Opposition to SB 146

To the members of the committee,

I am writing to oppose the passage of the SB 146 without major amendments. I am concerned that the current wording of this bill will cause gaming proceeds to leave the state of Alaska to benefit outside organizations, and reduce what potential gaming revenues remain in the state to aid our nonprofits. These funds should stay in state to support our local charities (like us) and economy by supporting Alaskans. The potential loss of competition through market consolidation by pull tab producers, whom are also being allowed to hold distribution licenses, is concerning. Would they get to choose to only sell to themselves?

We hope that changes to existing law that could create a loss of gaming revenues that non-profits receive, and therefore the services we provide to our community, will be considered by this committee. These are services that state does not have to pay for. Helping secure this for us benefits everyone in our local communities and state. Please don't allow outside gaming companies to siphon profits and gaming revenues from Alaskan nonprofits and communities. Keep it Alaskan. As it is currently written we oppose this bill unless major amendments are made, and we urge you to oppose it as well.

These gaming proceeds support our local park and community center in Goldstream Valley, Alaska. We provide a playground for kids to play, and a building for the community to meet. We have weddings, funerals, cub scouts and scouts meetings, and craft nights, wildland firefighters HQ and public meetings, and other private events. Our park is also the meeting spot for our local bookmobile and is a pick up spot for the local food bank. We have a community garden that offers free programs on gardening techniques, soil quality, and seed saving, helping with local food security, as well as renting out raised beds. We have a pavilion, bbq area, and fire pit. We have a sports field that is free to use for soccer, volleyball, and baseball. We have rugby games too. We also will provide support for community members who experience disaster like a house fire or cancer. We have annual public events for Halloween, Easter, and clean-up day. This gaming revenue is needed to help maintain the park, this facility and these programs. Please keep that in mind and don't let it leave the state.

Thanks for your time

Mark Winterstein
President
Goldstream Valley Lions Club
2645 Goldstream Rd
Fairbanks, AK
99709
Sent from my iPhone

Konrad Jackson

From: Meredith Conner, MSA, CFE, EA <fiveholefairbanks@gmail.com>
Sent: Thursday, April 04, 2024 10:43 AM
To: Senate Labor and Commerce
Subject: SB 146 - Gaming Electronic Pull Tabs (OPPOSITION)

Dear Senator Bjorkman, Senator Bishop, Senator Gray-Jackson, Senator Merrick, and Senator Dunbar:

I am writing to urge you not to pass SB 146 as it will cause long term financial harm to many non-profits around the State of Alaska. Non-profit organizations around Alaska will receive less revenue from gaming and receive less funds for their causes.

This legislative change will put more money in the pockets of out-of-state businesses who don't care about Alaskans and don't care about the immense amount of charitable funds we raise every year to benefit our people, including our children, adults in need, and education (recreational or academic). One such organization is the Fairbanks Junior Ice Dogs, which I helped form 27 years ago and am currently the general manager of. The organization has helped hockey players with training and recruiter exposure, hockey education for all ages, and even helps raise significant funds every year to donate to the local cancer center. Our organization will receive less opportunities for income for our causes if SB 146 is passed and the greedy out-of-state companies get money that should go to Alaska.

Alaska and its people are known for taking care of others, especially those in need and those who need more educational opportunities

Please don't pass this legislation and let Alaska's money go to greedy out-of-state companies. Let's continue to take care of each other and keep our money IN our great state.

Thank you,

(sent on behalf of:)

Rob Proffitt, General Manager
Fairbanks Junior Ice Dogs Inc
PO Box 74786
Fairbanks, AK 99707

Michelle Sas
Anchorage, AK
akmnygrl@gmail.com
907-230-2135
4/16/2024

Senator Jesse Bjorkman, Senator Click Bishop, Senator Elvie Gray-Jackson, Senator
Kelly Merrick, Senator Forrest Dunbar
Alaska Senate Labor and Commerce Committee
State Capitol, Room 205

Juneau, AK 99801

Dear Honorable Members of the Alaska Senate Labor and Commerce Committee,

I am writing to you as Michelle Sas, representing myself and as a member of an Alaska nonprofit organization, as well as a board member of said nonprofit. I am eager to express the importance of expanding Alaska's charitable gaming laws to include electronic pull tabs (ETABs) and how such an expansion could significantly enhance our charitable giving capabilities.

Electronic pull tabs, or ETABs, are digital gaming devices designed to offer players an electronic alternative to traditional paper pull tabs. These devices come equipped with various games loaded onto a server, providing a unique and engaging gaming experience.

The provision of ETAB devices and associated infrastructure is handled by licensed distributors, who supply the equipment at no upfront charge. Distributors typically charge between 30-35% of the ideal net revenue, invoicing based on tickets sold. Notably, there are no charges for unsold tickets, distinguishing ETABs from traditional paper-based gaming.

Based on data from other states where ETABs are operational, charitable organizations have experienced a significant increase in net revenue, averaging around 74%. In Alaska's case, this could translate to an estimated 44% increase in profits, amounting to approximately \$20 million for our state's charities. These projections are supported by concrete data from existing ETAB states, offering a reliable basis for our expectations.

Concerns about the impact of ETABs on existing paper pull tab sales are unfounded. Experience from other states indicates that paper ticket sales remain robust, often even

increasing alongside ETAB adoption. Furthermore, the introduction of ETABs has been shown to boost membership in organizations such as Veteran service groups and Fraternal clubs, demonstrating their potential to invigorate community engagement.

One notable advantage of ETABs is their capacity to streamline reporting and recordkeeping processes. With built-in features that automate these tasks, organizations can expect reduced administrative burdens and enhanced compliance with regulatory requirements. Additionally, ETAB systems offer robust security measures, ensuring accountability and minimizing the risk of fraud or theft.

Importantly, ETABs offer benefits not only to charitable organizations but also to the broader community. By facilitating increased charitable gaming revenue, ETABs have the potential to bolster Alaska's philanthropic efforts and contribute to vital community services.

In conclusion, the expansion of Alaska's gaming laws to include ETABs represents a promising opportunity to enhance charitable giving, support community organizations, and stimulate economic growth. I urge you to consider the compelling data and benefits outlined above as you deliberate on this important issue.

Thank you for your attention to this matter.

Sincerely,

Michelle Sas

Konrad Jackson

From: Ray Whaler <rhut@whalercasinosupply.com>
Sent: Wednesday, March 13, 2024 10:48 AM
To: Senate Labor and Commerce
Subject: Support for Senate Bill 146

Follow Up Flag: Follow up
Flag Status: Flagged

Senate Labor And Commerce Committee

Dear Committee Members,

I am writing to express my continued support for the modernization of charitable gaming in Alaska, particularly in relation to Senate Bill 146. As a Pull-tab distributor and engaged member of the community, I believe that the passage of SB 146 is crucial for the prosperity and sustainability of charitable organizations across our state.

Senate Bill 146 presents an opportunity to update Alaska's charitable gaming laws to reflect the evolving landscape of gaming technology and consumer preferences. By allowing the use of electronic pulltabs in charitable gaming, SB 146 will enable organizations to expand their fundraising capabilities in an increasingly digital world.

The implementation of electronic pulltabs under SB 146 will streamline operations for charitable organizations. Electronic pulltabs offer greater efficiency in tracking sales, managing inventory, and ensuring compliance with regulatory requirements.

SB 146 represents a significant economic opportunity for Alaska. By embracing technological innovation in charitable gaming, our state can stimulate job growth, support local businesses, and strengthen the overall economy. The revenue generated from electronic pulltabs will directly benefit our communities by funding vital programs and services that improve the quality of life for all Alaskans.

I urge you to support Senate Bill 146 and prioritize its passage for the betterment of our state. By modernizing Alaska's charitable gaming laws, we can make a positive impact on the lives of countless individuals and families.

Thank you for your attention to this matter, and I look forward to seeing SB 146 successfully enacted into law.

Ray Huot
President
[Whaler Casino Supply, LLC](#)

Konrad Jackson

From: Seanna O'Sullivan <sosullivan@alaska.edu>
Sent: Tuesday, March 12, 2024 11:12 PM
To: Senate Labor and Commerce; Sen. Elvi Gray-Jackson; Sen. Kelly Merrick; Sen. Forrest Dunbar; Sen. Click Bishop; Sen. Jesse Bjorkman
Subject: SB146 opposition
Attachments: Email Sent to Senate L&C 03-12-14.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Honorable chairman Bjorkman and members of this committee,

As Board President for Foundation For End Of Life Care in Juneau, Alaska, I feel duty-bound to voice concern over SB1

Whether intended or not, this bill would fundamentally and undeniably eliminate standalone storefront operations like those operated by non-profit permit holders for the benefit of public education and end of life care, as it would render them under control over charitable beneficiaries to for-profit operators at the expense of charities like ours who organize with the students, schools, sports clubs and service organizations. We are not the only Alaskan community that relies on this type of critical services. It is the charitable upside of gaming that we have come to rely on to fill funding gaps for much needed

This bill seems to be designed to fly under the radar, but the impact will bear significant burden on already strained local electronic pull tab manufacturers.

These operations have not only supported Juneau Montessori educational programming for more than 20 years but have also supported the Foundation for End of Life Care to distribute 100 percent of our organization's proceeds to hospice care in Juneau - and throughout Southeast (Haines, Sitka, Gustavus) when possible. Recent funds helped stand up Bartlett Home Health and Hospice program which collapsed and no other funding was available to support our families facing imminent end of life needs with no one to

This legislation seems to be fast tracked with an intent to quietly pass through the process. I ask that you do what is in the public interest and deserves before it becomes law. At least not without considering the unintended fiscal impact and finding alternative funding sources. We certainly do not need another loss in steady funding sources for early education and end of life beneficiaries - our most

Thank you for your consideration, attached is related testimony from our primary gaming manager with more detailed

Sincerely,
Seanna O'Sullivan Hines

Juneau, AK 99801
(907)723-5442

Sans Serif

March 12, 2024

Alaska State Legislature
Senate Labor and Commerce Committee
120 4th Street
Juneau, AK 99801

RE: SB146 Electronic Pull Tabs

Honorable Chairman, Bjorkman; and Members of the Senate Labor and Commerce Committee,

My name is David Sanden, 750 Saint Ann's Ave, Douglas AK 99824. I write on behalf of Hidden Treasures Multiple Beneficiary Permit Holder and submit testimony in opposition to SB 146 as submitted by the Governor's office.

SB146, will fundamentally and irreversibly alter the Alaska charitable gaming marketplace to such an extent as to make standalone storefront locations like ours, which are owned and operated by non-profit permit holders, economically unfeasible and obsolete. This bill will irreversibly harm small businesses and Alaska non-profits that use funds provided to them by pull tab operations to benefit children, students, schools, sporting organizations, and many other kinds of non-profits that do good work for thousands of Alaskans.

The bill plays favorites via the maximum yearly prize allowance for the charities that contract with for-profit Operators at the expense of the charities who organize and control their own destiny through forming Multiple Beneficiary Permits. See Section 4 lines 15-30 of the bill. ***

The letter from the governor's office that accompanies SB 146 reads as if the bill only makes minor amendments to AS 05.15 by authorizing the use of electronic pull tabs in charitable gaming and indicates that the bill only makes minor clarifications to the Department of Revenue's authority over pull tabs. That fundamentally mischaracterizes the effect of SB 146.

The impact of this proposed legislation is significant and should not be passed out of this committee without amendments to ensure that the non-profits entities which now benefit Alaskans are not harmed.

This committee should be aware that any increase in the maximum yearly prize allowance that this bill will authorize, if adopted, will directly result in fewer non-profit organizations receiving monies from charitable gaming.

Instead, this bill will most significantly benefit out of state electronic pull tab manufactures, one of whom recently purchased/partnered with an Alaskan owned pull tab distribution company and will harm locally owned and operated entities and Alaskan pull tab establishments like Hidden Treasures, which I manage.

This legislation will limit participation in the marketplace and will certainly decrease the number of non-profit permittees receiving funds through charitable gaming, regardless of how they are organized.

On paper SB 146 may look harmless, and the letter of intent accompanying the bill is certainly worded that way, but on the ground without a cost of goods cap for their use, a universally applicable maximum yearly prize allowance, and mandated software within these systems that can account for and charge a sales tax where applicable, Electronic Pull Tab Systems will fundamentally distort the charitable gaming marketplace via their introduction in favor of the stakeholders that are in the marketplace to solely make a privatized profit with the remaining profit left to the charities that are lucky enough to be acceptable to a for-profit Operator or Vendor/ Bar Owner who chooses to run their permit.

The charitable gaming statutes were originally enacted to benefit non-profit organizations' fundraising capabilities and efforts.

Under this legislation, over a brief period, all pull tab sales in the State of Alaska will be exclusively controlled by the manufacturers/distributors of Electronic Pull Tab Systems at the expense of eligible Alaskan non-profit entities ability to competitively enter or remain in the marketplace.

If you support an open marketplace that continues to allow all qualified non-profit organizations to have equal footing under the law, in a competitive marketplace, you should not support this legislation.

Please do not move this bill out of your Committee.

It is possible to amend this legislation in such a way as to allow an open and competitive marketplace, but to do so your committee would undoubtedly have to look at the entirety of the Charitable Gaming statutes.

If you were to do so, we would like to offer up the following amendments for your consideration:

1. Increase the mandated return to the charitable gaming permits from 30% to 35%.

Everyone likes to talk-the-talk about how it is all about the “charities”, but I see no one advocating to mandate, by law, an increase in their statutorily mandated return.

2. Increase the State of Alaska Ideal Net Tax from 3% to 8%.

Yes, the State of Alaska should receive more funds from gambling activity. This concept should have, and nearly did become law during the State of Alaska’s 23rd Legislative Session via SB102 back in 2003.

3. Disallow any local governmental gross sales taxation on pull tab sales and instead split the new 8% State Idea Net Tax equally, or in some proportional way, with the local governmental jurisdictions where the pull tabs are sold.

In every other state in the nation that allows gambling, allowable gambling activity by law is only allowed to be taxed on the state level, based on the monies banked at the end of the day, or the net proceeds.

In addition, in nearly every circumstance some of those state tax proceeds, or direct proceeds from the activity itself, are distributed by the state to the communities where those gambling activities take place.

Alaska should replicate this nationally accepted and workable practice, to the benefit of the State of Alaska General Fund and to accomplish two additional things. First, to ensure that all local Alaskan communities that allow gambling, will receive some tax proceeds from that activity. Secondly, to prevent local jurisdictions from punitively taxing gambling activity at any rate they see fit due to the void and excessively low state taxation currently in place on gambling activities.

4. If electronic pull tabs systems are to be allowed, they should come with a hard cap of 15% of the ideal net that electronic pull tab manufacturers/distributors may charge for the use of their electronic pull tab devices.

Capping fees may sound unappealing but if policy makers take close and studied look at the dollars involved and profits derived in this highly regulated industry, the idea of a cap is not an outlier or taboo. A cap will be necessary if you want charitable gaming to remain committed to its original legislatively allowable intent - which is benefiting Alaskan non-profits delivering services to Alaskans.

5. Change the current limitation of a winning pull tab from \$500.00 to \$1,000.00.

This is primarily due to inflationary pressures. \$500.00 dollars in 1994 was a whole lot more eye-popping than \$500.00 dollars in 2024. In the end, for charitable gaming to remain attractive to future generations the allowable prize winnings per individual pull tab ticket will have to be increased.

Thank you for your time and service. I urge you all to put the brakes on this legislation, amend it to make it work for Alaskans, and give the process the time to allow for additional public testimony that this legislation warrants for all those involved, or want to become involved, in the charitable gaming marketplace as well as the future generations of Alaskans.

I ask the Committee to enter this testimony into the Committee's record and have provided a copy to the Committee's staff via email at Senate.Labor.And.Commerce@akleg.gov for that purpose.

I would also be happy to answer any questions you may have.

Sincerely,

David Sanden
Primary Member in Charge of Gaming
Hidden Treasures Multi Beneficiary Permittee

Douglas, AK 99824
htmbpjuneau@gmail.com

***15 * Sec. 4. AS 05.15.180(g) is amended to read:

16 (g) A municipality or a qualified organization may award a maximum of
17 \$2,000,000 in prizes each year in activities authorized under this chapter; however, if a
18 municipality or a qualified organization contracts with an operator to conduct on its
19 behalf activities authorized under this chapter, the municipality or qualified
20 organization may award a maximum of \$2,000,000 [\$500,000] in prizes each year in
21 electronic pull-tab activities and a maximum of \$1,000,000 in prizes each year in
22 all other activities authorized under this chapter. A municipality or a qualified
23 organization that conducts a contest of skill and awards more than \$1,000,000 in
24 prizes to the participants in that contest of skill may exclude \$1,000,000 in prizes
25 awarded to those participants from the \$2,000,000 maximum allowed in this
26 subsection. The holders of a multiple-beneficiary permit under AS 05.15.100(d) may
27 award a maximum in prizes each year of \$2,000,000 times the number of holders of
28 the permit for activities authorized under this chapter. In this subsection, "activities
29 authorized under this chapter" means all activities subject to this chapter other than
30 bingo.

Konrad Jackson

From: Terri Berrie <tjberrie@gmail.com>
Sent: Wednesday, March 13, 2024 10:20 AM
To: House Labor and Commerce; Senate Labor and Commerce
Subject: Chairitable gaming.

Follow Up Flag: Follow up
Flag Status: Flagged

Hello Members,

I am the president of the non-profit North Pole Volunteers Firefighters Association. We rely heavily on funds provided by charitable gaming. We have concerns on the new proposed changes.

Some of the major concerns are as follows:

This legislation was written by an out-of-state electronic pull tab manufacturer that also owns a majority of the paper pull tab manufacturers. They have unlimited resources and have hired two lobbying firms to persuade the legislators. It is written to benefit them and not Alaska nonprofits. For three years now they have been telling us that 50% of the profit would go out-of-state to them. Now they are telling the legislators that it would only be 35% going out-of-state. That is more money than the nonprofits would receive.

The legislation as written creates an opportunity for them to have a monopoly. They recently purchased the Whaler pull tab distributorship. Because they own most of the paper pull tab manufacturers they will most likely stop selling their product to the other pull tab distributors. Creating a scenario where they can charge whatever they want after they put the other pull tab distributors out of business. This legislation needs to include that a pull tab or electronic pull tab manufacturer cannot also hold a distributors license in the state of Alaska. This is necessary to protect the nonprofits

AS 05.15.180 A. This bill gives the department the authority to authorize any type of gambling operation without going back to the legislators or the public. It is not a good ideal to let that happen.

As this legislation was written by an out-of-state manufacturer they have included language that could possibly limit their competition from other manufacturers.

Alaska nonprofits need to be involved in the rewrite of this legislation. There are too many issues that need to be addressed that may lead to unintended consequences. Any changes in legislation need to be written and supported by Alaska nonprofits to benefit Alaska nonprofits and not an out-of-state manufacturer they can afford high paid lobbyists.

Alaska has one of the best charitable gaming systems in the country to benefit Alaska nonprofits. We do not want to jeopardize this with the passing of this legislation as written.

We need you help to change this maction,

Thank you for your time,

Terri Berrie, president
NPVFFD