

CS FOR HOUSE BILL NO. 286(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/21/95

Referred: Rules

Sponsor(s): REPRESENTATIVES WILLIAMS, Toohey

A BILL

FOR AN ACT ENTITLED

1 "An Act providing an exemption from gambling and certain alcoholic beverage
2 laws for gambling conducted by cruise ships for their ticketed passengers in the
3 offshore water of the state; relating to promotions on board cruise ships; defining
4 'cruise ship'; providing for exemption procedures for certain cruise ships before
5 they can conduct gambling in the offshore water of the state; providing an
6 exemption from the coin-operated device tax for cruise ships exempted from the
7 gambling laws; and providing for an effective date."

8 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

9 * **Section 1.** AS 04.16.175 is amended by adding a new subsection to read:

10 (c) This section does not apply to an agent or employee of a cruise ship
11 authorized to conduct gambling activities under AS 05.15.250 and AS 11.66.275.

12 * **Sec. 2.** AS 05.15.180(a) is amended to read:

13 (a) Except as provided in AS 05.15.100(b) **and 05.15.250**, this chapter does

1 not authorize the use of playing cards, dice, roulette wheels, coin-operated instruments
2 or machines, or other objects or instruments used, designed, or intended primarily for
3 gaming or gambling or any other method or implement not expressly authorized by the
4 department.

5 * **Sec. 3.** AS 05.15 is amended by adding a new section to read:

6 ARTICLE 2A. CRUISE SHIP EXEMPTION.

7 Sec. 05.15.250. EXEMPTION OF CRUISE SHIPS. (a) Notwithstanding
8 AS 05.15.180(a), a cruise ship may conduct gambling as permitted under AS 11.66.275
9 in the offshore water of the state if

10 (1) the operator of the cruise ship annually applies on a date set by the
11 department on a form provided by the department;

12 (2) the operator of the cruise ship agrees to comply with AS 45.50.474;
13 and

14 (3) the operator pays the annual exemption fee required under (b) of
15 this section.

16 (b) The exemption fee for a cruise ship to conduct gambling under (a) of this
17 section is for cruise ships with a capacity of

- 18 (1) 500 or fewer passengers \$10,000;
- 19 (2) 501 - 999 passengers \$20,000;
- 20 (3) 1000 - 1999 passengers \$30,000;
- 21 (4) 2,000 passengers or more \$40,000.

22 (c) The department shall revoke the exemption of a cruise ship that becomes
23 ineligible to hold an exemption under this section, provides false information in an
24 application for an exemption, violates an order issued under AS 05.15.680 or conducts
25 gambling in violation of the provisions of AS 11.66.275. When revoking an
26 exemption under this subsection, the department may bar a cruise ship from obtaining
27 an exemption under this section in the future or for a specified number of years in the
28 future.

29 (d) Except for AS 05.15.610, 05.15.680, and 05.15.690, other provisions of this
30 chapter do not apply to gambling on a cruise ship.

31 (e) In this section,

1 (1) "cruise ship" means a ship that operates at least 120 days a year
2 anywhere in the world, provides cruises of at least 72 hours in length for ticketed
3 passengers, provides on board the ship overnight accommodations for at least 300
4 passengers, is operated by an authorized cruise ship operator, and is certified under
5 the International Convention for the Safety of Life at Sea or otherwise certified by the
6 United States Coast Guard;

7 (2) "offshore water of the state" has the meaning given in
8 AS 11.66.275.

9 * **Sec. 4.** AS 05.15.680(b) is amended to read:

10 (b) A person who, with the intent to mislead a public servant in the
11 performance of the public servant's duty, submits a false statement in an application
12 for a permit, license, **exemption**, or vendor registration under this chapter is guilty of
13 unsworn falsification.

14 * **Sec. 5.** AS 11.66 is amended by adding a new section to read:

15 Sec. 11.66.275. CRUISE SHIP EXEMPTION. (a) The provisions of
16 AS 11.66.200 - 11.66.280 do not apply to gambling conducted by a cruise ship for its
17 ticketed passengers in the offshore water of the state if

18 (1) the cruise ship is exempt under AS 05.15.250;

19 (2) the cruise ship does not conduct gambling in, or within three miles
20 of, a state port visited by the cruise ship;

21 (3) the gambling is ancillary to the cruise and the cruise has as its main
22 purpose scenic cruising and port visits at maritime communities in the state; and

23 (4) the cruise ship operates under an itinerary that either originates or
24 terminates in a port outside the state.

25 (b) In this section,

26 (1) "cruise ship" means a ship that operates at least 120 days a year
27 anywhere in the world, provides cruises of at least 72 hours in length for ticketed
28 passengers, provides on board the ship overnight accommodations for at least 300
29 passengers, is operated by an authorized cruise ship operator, and is certified under
30 the International Convention for the Safety of Life at Sea or otherwise certified by the
31 United States Coast Guard;

1 (2) "offshore water of the state" means the marine water over which
2 the state has jurisdiction.

3 * **Sec. 6.** AS 43.35.010 is amended by adding a new subsection to read:

4 (d) The tax imposed by this section does not apply to a coin-operated device
5 on board a cruise ship for a tax period during which the cruise ship is authorized to
6 conduct gambling activities under AS 05.15.250 and AS 11.66.275.

7 * **Sec. 7.** AS 45.50.474 is amended to read:

8 Sec. 45.50.474. REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD
9 CRUISE SHIPS. A person may not conduct a promotion on board a cruise ship that
10 mentions or features a business in a state port that has paid something of value for the
11 purpose of having the business mentioned or featured, unless the person conducting
12 the promotion clearly and fully discloses orally and in all written materials used in the
13 promotion that the featured businesses have paid to be included in the promotion.

14 **This prohibition does not apply to on-shore excursions that are sold on board a**
15 **cruise ship.** A violation of this section constitutes an unfair trade practice under
16 AS 45.50.471. In this section, "cruise ship" means a ship that operates at least 120
17 days a year anywhere in the world, provides cruises of at least 72 hours in length for
18 ticketed passengers, provides overnight accommodations and meals for those
19 passengers, is operated by an authorized cruise ship operator, and is certified under the
20 International Convention for the Safety of Life at Sea or otherwise certified by the
21 United States Coast Guard.

22 * **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).