

**CS FOR HOUSE BILL NO. 286(FIN) am**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**NINETEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Amended: 5/4/95**

**Offered: 4/21/95**

**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.** CRUISE SHIP GAMBLING EXEMPTION. (a) Notwithstanding  
10 AS 05.15.180(a), a cruise ship may conduct gambling as permitted under (b) of this section  
11 in the offshore water of the state if

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

1 (2) the operator of the cruise ship agrees to comply with AS 45.50.474; and  
2 (3) the operator pays the annual exemption fee required under (c) of this  
3 section.

4 (b) The provisions of AS 11.66.200 - 11.66.280 do not apply to gambling conducted  
5 by a cruise ship for its ticketed passengers in the offshore water of the state if

6 (1) the cruise ship is exempt under (a) of this section;  
7 (2) the cruise ship does not conduct gambling in, or within three miles of, a  
8 state port visited by the cruise ship;

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

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

13 (c) The exemption fee for a cruise ship to conduct gambling under (a) of this section  
14 is for cruise ships with a capacity of

- 15 (1) 500 or fewer passengers . . . . . \$10,000;
- 16 (2) 501 - 999 passengers . . . . . \$20,000;
- 17 (3) 1000 - 1999 passengers . . . . . \$30,000;
- 18 (4) 2,000 passengers or more . . . . . \$40,000.

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

25 (e) AS 05.15.610, 05.15.680, and 05.15.690 apply to gambling on a cruise ship.

26 (f) AS 04.16.175 does not apply to an agent or employee of a cruise ship authorized  
27 to conduct gambling activities under this section.

28 (g) A person who, with the intent to mislead a public servant in the performance of  
29 the public servant's duty, submits a false statement in an application for an exemption under  
30 this section is guilty of unsworn falsification.

31 (h) The tax imposed by AS 43.35.010 does not apply to a coin-operated device on

1 board a cruise ship for a tax period during which the cruise ship is authorized to conduct  
2 gambling activities under this section.

3 (i) In this section, "offshore water of the state" means the marine water over which  
4 the state has jurisdiction.

5 \* **Sec. 2.** EXCEPTION TO REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD  
6 CRUISE SHIPS. The prohibition contained in AS 45.50.474 does not apply to on-shore  
7 excursions that are sold on board a cruise ship.

8 \* **Sec. 3.** In this Act, "cruise ship" means a ship that operates at least 120 days a year  
9 anywhere in the world, provides cruises of at least 72 hours in length for ticketed passengers,  
10 provides on board the ship overnight accommodations for at least 300 passengers, is operated  
11 by an authorized cruise ship operator, and is certified under the International Convention for  
12 the Safety of Life at Sea or otherwise certified by the United States Coast Guard..

13 \* **Sec. 4.** This Act is repealed September 30, 1995.

14 \* **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).