

**CS FOR HOUSE BILL NO. 44(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 2/22/95

Referred: Judiciary

Sponsor(s): REPRESENTATIVES MARTIN, Rokeberg, Porter, Bunde, Green

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to reporting by permittees, licensees, and vendors; providing that  
2 a political use is not an authorized use of charitable gaming proceeds, other than  
3 proceeds from raffles; prohibiting the contribution of charitable gaming proceeds,  
4 other than proceeds from raffles, to candidates for certain public offices, their  
5 campaign organizations, or to political groups; providing that a political group is  
6 not a qualified organization for purposes of charitable gaming, other than raffles;  
7 relating to what is a qualified organization for the purpose of charitable gaming  
8 permitting; and providing for an effective date."

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

10 \* **Section 1.** AS 05.15.060(a) is amended to read:

11 (a) The department shall adopt regulations under AS 44.62 (Administrative  
12 Procedure Act) necessary to carry out this chapter covering, but not limited to,

1 (1) the issuance, renewal, and revocation of permits, licenses, and  
2 vendor registrations;

3 (2) a method of ascertaining net proceeds, the determination of items  
4 of expense that may be incurred or paid, and the limitation of the amount of the items  
5 of expense to prevent the proceeds from the activity permitted from being diverted to  
6 noncharitable, noneducational, nonreligious, or profit-making organizations, individuals,  
7 or groups;

8 (3) the immediate revocation of permits, licenses, and vendor  
9 registrations authorized under this chapter if this chapter or regulations adopted under  
10 it are violated;

11 (4) the requiring of detailed, sworn, financial reports of operations from  
12 permittees and licensees including detailed statements of receipts and payments;

13 (5) the investigation of permittees, licensees, registered vendors, and  
14 their employees, including the fingerprinting of those permittees, licensees, registered  
15 vendors, and employees whom the department considers it advisable to fingerprint;

16 (6) the method and manner of conducting authorized activities and  
17 awarding of prizes or awards, and the equipment that may be used;

18 (7) the number of activities that may be held, operated, or conducted  
19 under a permit during a specified period; however, the department may not allow more  
20 than 14 bingo sessions a month and 35 bingo games a session to be conducted under  
21 a permit; the holders of a multiple-beneficiary permit under AS 05.15.100(d) may hold,  
22 operate, or conduct the number of sessions and games a month equal to the number  
23 allowed an individual permittee per month multiplied by the number of holders of the  
24 multiple-beneficiary permit;

25 (8) a method of accounting for receipts and disbursements by operators,  
26 including the keeping of records and requirements for the deposit of all receipts in a  
27 bank;

28 (9) the disposition of funds in possession of a permittee, a person,  
29 municipality, or qualified organization that possesses an operator's license, or a  
30 registered vendor at the time a permit, a license, or a vendor registration is  
31 surrendered, revoked, or invalidated;

1 (10) restrictions on the participation by employees of the Department  
2 of Fish and Game in salmon classics; and in king salmon classics, and by employees  
3 of Douglas Island Pink and Chum in king salmon classics;

4 (11) the requiring of reports of all donations or contributions by  
5 permittees, licensees, or vendors to political candidates or their campaign  
6 organizations or to political groups;

7 (12) other matters the department considers necessary to carry out this  
8 chapter or protect the best interest of the public.

9 \* **Sec. 2.** AS 05.15.100 is amended by adding a new subsection to read:

10 (e) The department may issue a permit to a political organization for activities  
11 conducted under AS 05.15.155. A permit issued under this subsection gives the  
12 political organization the privilege of conducting raffles but no other forms of  
13 charitable gaming. A political organization receiving a permit under this subsection  
14 must satisfy all the requirements of this chapter relating to permittees. A political  
15 organization may not hold or otherwise participate in a multiple-beneficiary permit.

16 \* **Sec. 3.** AS 05.15.115 is amended by adding a new subsection to read:

17 (e) A political organization holding a permit to conduct raffles under  
18 AS 05.15.100(e) may not enter into a contract with an operator to conduct, on behalf  
19 of the political organization, the raffles permitted under the authority of the permit.

20 \* **Sec. 4.** AS 05.15.150 is amended to read:

21 Sec. 05.15.150. LIMITATION ON USE OF PROCEEDS. (a) The authority  
22 to conduct the activity authorized by this chapter is contingent upon the dedication of  
23 the net proceeds of the charitable gaming activity to the awarding of prizes to  
24 contestants or participants and to [POLITICAL,] educational, civic, public, charitable,  
25 patriotic, or religious uses in the state. "**Educational** [POLITICAL, EDUCATIONAL]  
26 , civic, public, charitable, patriotic, or religious uses" means uses benefiting persons  
27 either by bringing them under the influence of education or religion or relieving them  
28 from disease, suffering, or constraint, or by assisting them in establishing themselves  
29 in life, or by providing for the promotion of the welfare and well-being of the  
30 membership of the organization within their own community, [OR THROUGH  
31 AIDING CANDIDATES FOR PUBLIC OFFICE OR GROUPS THAT SUPPORT

1 CANDIDATES FOR PUBLIC OFFICE,] or by erecting or maintaining public  
2 buildings or works, or lessening the burden on government, but does not include

3 (1) the direct or indirect

4 (A) payment of any portion of the net proceeds of a bingo or  
5 pull-tab game to a lobbyist registered under AS 24.45;

6 (B) contribution of any portion of the net proceeds of a  
7 charitable gaming activity, other than raffles, to a candidate for a public  
8 office of the state or a political subdivision of the state, to the candidate's  
9 campaign organization, to a political party as defined under AS 15.60, or  
10 to an organization or club organized under or formally affiliated with a  
11 political party; or

12 (2) the erection, acquisition, improvement, maintenance, or repair of  
13 real, personal, or mixed property unless it is used exclusively for one or more of the  
14 permitted uses.

15 (b) The net proceeds derived from the activity must be devoted within one  
16 year to one or more of the uses stated in (a) of this section. **If the net proceeds are**  
17 **derived from raffles, the proceeds must be devoted within one year to one or**  
18 **more of the uses stated in (a) of this section or to a political use as provided in**  
19 **AS 05.15.155.** A municipality or qualified organization desiring to hold the net  
20 proceeds for a period longer than one year must apply to the department for special  
21 permission and upon good cause shown the department may grant the request.

22 \* **Sec. 5.** AS 05.15.150 is amended by adding a new subsection to read:

23 (c) In addition to the uses specified in (a) of this section, a permittee may  
24 dedicate the net proceeds of raffles to political uses within the state. In this  
25 subsection, "political uses" means uses benefiting persons through aiding candidates  
26 for public office or groups that support candidates for public office.

27 \* **Sec. 6.** AS 05.15 is amended by adding a new section to read:

28 Sec. 05.15.155. POLITICAL RAFFLES. (a) Notwithstanding AS 05.15.150,  
29 a political organization that holds a permit under AS 05.15.100(e) may conduct raffles.  
30 The authority to conduct the raffles is contingent upon the dedication of the net  
31 proceeds of the raffles to the awarding of prizes to contestants or participants and to

1 political, educational, civic, public, charitable, patriotic, or religious uses in the state.  
2 "Educational, civic, public, charitable, patriotic, or religious uses" means those uses  
3 described in AS 05.15.150(a). "Political uses" has the meaning given in  
4 AS 05.15.150(c). The net proceeds derived from raffles under this subsection must be  
5 devoted within one year to one or more of the uses described in this subsection. A  
6 political organization desiring to hold the net proceeds for a period longer than one  
7 year must apply to the department for special permission and upon good cause shown  
8 the department may grant the request.

9 \* **Sec. 7.** AS 05.15.690(34) is amended to read:

10 (34) "qualified organization" means a bona fide civic or service  
11 organization or a bona fide religious, charitable, fraternal, veterans, labor,  
12 [POLITICAL,] or educational organization, police or fire department and company,  
13 dog mushers' association, outboard motor association, or fishing derby or nonprofit  
14 trade association in the state, that operates without profits to its members and that has  
15 been in existence continually for a period of three years immediately before applying  
16 for a license; the organization may be a firm, corporation, company, association, or  
17 partnership;

18 \* **Sec. 8.** This Act takes effect January 1, 1996.