

CS FOR HOUSE BILL NO. 44(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/17/95

Referred: Rules

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; relating to municipal regulation of
6 multiple-beneficiary charitable gaming; relating to the sale of pull-tabs and to
7 bingo games; providing that a political group is not a qualified organization for
8 purposes of charitable gaming, other than raffles; relating to what is a qualified
9 organization for the purpose of charitable gaming permitting; and providing for
10 an effective date."

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

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

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

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

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

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

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

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

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

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

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

30 (9) the disposition of funds in possession of a permittee, a person,
31 municipality, or qualified organization that possesses an operator's license, or a

1 registered vendor at the time a permit, a license, or a vendor registration is
2 surrendered, revoked, or invalidated;

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

6 (11) **the requiring of reports of donations or contributions in excess**
7 **of \$100 in the aggregate a year by permittees to a political**

8 **(A) candidate or the candidate's campaign organization; or**

9 **(B) group;**

10 **(12) the identification of all accounts that charitable gaming**
11 **proceeds are transferred into by permittees and providing for access by the**
12 **department to those accounts to ensure that proceeds are not diverted or**
13 **transferred to any purpose or use not permitted by this chapter;**

14 (13) other matters the department considers necessary to carry out this
15 chapter or protect the best interest of the public.

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

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

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

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

27 * **Sec. 4.** AS 05.15.124 is amended to read:

28 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS, [OR]
29 **VENDORS, AND MULTIPLE-BENEFICIARY CHARITABLE GAMING.** A
30 municipality may by ordinance prohibit **activities under this chapter from being**
31 **conducted within the municipality**

1 (1) by an operator or a vendor; or
2 (2) under a multiple-beneficiary permit [FROM CONDUCTING
3 ACTIVITIES UNDER THIS CHAPTER WITHIN THE MUNICIPALITY].

4 * **Sec. 5.** AS 05.15.150 is amended to read:

5 Sec. 05.15.150. LIMITATION ON USE OF PROCEEDS. (a) The authority
6 to conduct the activity authorized by this chapter is contingent upon the dedication of
7 the net proceeds of the charitable gaming activity to the awarding of prizes to
8 contestants or participants and to [POLITICAL,] educational, civic, public, charitable,
9 patriotic, or religious uses in the state. "**Educational** [POLITICAL, EDUCATIONAL],
10 civic, public, charitable, patriotic, or religious uses" means uses benefiting persons
11 either by bringing them under the influence of education or religion or relieving them
12 from disease, suffering, or constraint, or by assisting them in establishing themselves
13 in life, or by providing for the promotion of the welfare and well-being of the
14 membership of the organization within their own community, [OR THROUGH
15 AIDING CANDIDATES FOR PUBLIC OFFICE OR GROUPS THAT SUPPORT
16 CANDIDATES FOR PUBLIC OFFICE,] or by erecting or maintaining public
17 buildings or works, or lessening the burden on government, but does not include

18 (1) the direct or indirect

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

21 (B) **contribution of any portion of the net proceeds of a**
22 **charitable gaming activity, other than raffles, to a candidate for a public**
23 **office of the state or a political subdivision of the state, to the candidate's**
24 **campaign organization, to a political party as defined under AS 15.60, or**
25 **to an organization or club organized under or formally affiliated with a**
26 **political party; or**

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

30 (b) The net proceeds derived from the activity must be devoted within one
31 year to one or more of the uses stated in (a) of this section. **If the net proceeds are**

1 derived from raffles, the proceeds must be devoted within one year to one or
2 more of the uses stated in (a) of this section or to political uses as provided in (c)
3 of this section. A municipality or qualified organization desiring to hold the net

4 proceeds for a period longer than one year must apply to the department for special
5 permission and upon good cause shown the department may grant the request.

6 * **Sec. 6.** AS 05.15.150 is amended by adding a new subsection to read:

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

11 * **Sec. 7.** AS 05.15 is amended by adding a new section to read:

12 Sec. 05.15.155. POLITICAL ORGANIZATION RAFFLES. A political
13 organization that holds a permit under AS 05.15.100(e) may conduct raffles. The
14 authority to conduct the raffles under this section is contingent upon the dedication of
15 the net proceeds of the raffles to political, educational, civic, public, charitable,
16 patriotic, or religious uses in the state and to the awarding of prizes to contestants or
17 participants. "Educational, civic, public, charitable, patriotic, or religious uses" means
18 those uses described in AS 05.15.150(a). "Political uses" has the meaning given in
19 AS 05.15.150(c). The net proceeds derived from raffles under this subsection must be
20 devoted within one year to one or more of the uses described in this section. A
21 political organization desiring to hold the net proceeds for a period longer than one
22 year must apply to the department for special permission and upon good cause shown
23 the department may grant the request.

24 * **Sec. 8.** AS 05.15.180(f) is amended to read:

25 (f) A person under the age of 19 years may not play a bingo game. **Before**
26 **a bingo session begins, the identity of each permittee that will benefit from that**
27 **session shall be announced to the public.**

28 * **Sec. 9.** AS 05.15.187 is amended by adding a new subsection to read:

29 (j) Each pull-tab in a series, or each jar or other receptacle containing a series
30 of pull-tabs, must clearly identify to the public the permittee that will benefit from the
31 sales of that pull-tab series.

1 * **Sec. 10.** AS 05.15.690(34) is amended to read:

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

10 * **Sec. 11.** This Act takes effect January 1, 1996.