

CS FOR HOUSE BILL NO. 44(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/12/95

Offered: 3/17/95

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reporting by permittees, licensees, and vendors; relating to
2 municipal regulation of charitable gaming; providing that a political group is not
3 a qualified organization for purposes of charitable gaming, other than raffles, and
4 relating to those raffles; relating to identification to the public of each permittee
5 that will benefit from the sale of each pull-tab series and each bingo session;
6 providing that the proceeds from charitable gaming, other than certain raffles
7 conducted by a political organization, may not be contributed to a political party
8 or other political group; 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,

13 (1) the issuance, renewal, and revocation of permits, licenses, and

1 vendor registrations;

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

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

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

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

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

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

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

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

31 (10) restrictions on the participation by employees of the Department

1 of Fish and Game in salmon classics; and in king salmon classics, and by employees
2 of Douglas Island Pink and Chum in king salmon classics;

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

5 (A) candidate or the candidate's campaign organization; or

6 (B) group;

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

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

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

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

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

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

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

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

29 (1) by an operator or a vendor; or

30 (2) under a multiple-beneficiary permit [FROM CONDUCTING
31 ACTIVITIES UNDER THIS CHAPTER WITHIN THE MUNICIPALITY].

1 * **Sec. 5.** AS 05.15.124 is amended by adding a new subsection to read:

2 (b) A municipality may not prohibit activities from being conducted

3 (1) under a multiple-beneficiary permit unless it also prohibits activities
4 from being conducted by an operator;

5 (2) by an operator unless it also prohibits activities from being
6 conducted under a multiple-beneficiary permit.

7 * **Sec. 6.** AS 05.15.150(a) is amended to read:

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

20 (1) the direct or indirect

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

23 (B) contribution of any portion of the net proceeds of a
24 charitable gaming activity to a political party as defined under AS 15.60,
25 or to an organization or club organized under or formally affiliated with
26 a 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 * **Sec. 7.** AS 05.15 is amended by adding a new section to read:

31 Sec. 05.15.155. POLITICAL ORGANIZATION RAFFLES. A political

1 organization that holds a permit under AS 05.15.100(e) may conduct raffles. The
2 authority to conduct the raffles under this section is contingent upon the dedication of
3 the net proceeds of the raffles to a political party as defined under AS 15.60 or to an
4 organization or club organized under or formally affiliated with a political party, to
5 political, educational, civic, public, charitable, patriotic, or religious uses in the state,
6 and to the awarding of prizes to contestants or participants. "Political, educational,
7 civic, public, charitable, patriotic, or religious uses" means those uses described in
8 AS 05.15.150(a). The net proceeds derived from raffles under this subsection must be
9 devoted within one year to one or more of the uses described in this section. A
10 political organization desiring to hold the net proceeds for a period longer than one
11 year must apply to the department for special permission and upon good cause shown
12 the department may grant the request.

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

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

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

18 (j) Prior to the sale of any pull-tab games, operators, vendors and permittees
19 shall clearly identify to the public the permittee that will benefit from the sale of that
20 pull-tab series. Such notice shall be posted so that it is clearly visibly in a location in
21 close proximity to where the sale of pull-tabs occurs.

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

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

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