

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

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

**NINETEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE STATE AFFAIRS COMMITTEE**

**Offered: 4/26/95**

**Referred: Finance**

**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, licensees, and vendors to a political  
5 candidate; reports must include all donations or contributions made from the last  
6 date covered by any previous report to three days before the due date of the  
7 report and shall be made at the following times: (A) 30 days before an election  
8 involving the candidate; (B) one week before an election involving the candidate;  
9 (C) 10 days after an election involving the candidate; and (D) February 15 for  
10 donations and contributions made that were not reported during the previous  
11 year; the department shall, for a period of time set by the department, suspend  
12 or revoke the permit, license, or vendor registration of a permittee, licensee, or  
13 vendor that fails to report at the times and in the manner provided in this  
14 paragraph;

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

19 (13) a requirement that a permittee, licensee, or vendor that  
20 donates or contributes the proceeds of charitable gaming to a candidate must  
21 inform the candidate that the donation or contribution is a proceed of charitable  
22 gaming;

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

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

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

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

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

5 \* **Sec. 4.** AS 05.15.124 is amended to read:

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

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

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

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

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

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

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

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

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

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(1) the direct or indirect

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

**(B) contribution of any portion of the net proceeds of a charitable gaming activity to**

**(i) a political party as defined under AS 15.60;**

**(ii) an organization or club organized under or formally affiliated with a political party;**

**(iii) a political group as defined under AS 15.60; or**

**(iv) a group as defined under AS 15.13.130, including a group that seeks to influence the opinions of voters concerning the election of a candidate for public office, a constitutional amendment, an initiative, or another ballot measure; or**

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

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

Sec. 05.15.155. POLITICAL ORGANIZATION RAFFLES. A political organization that holds a permit under AS 05.15.100(e) may conduct raffles. The authority to conduct the raffles under this section is contingent upon the dedication of the net proceeds of the raffles to a political party as defined under AS 15.60, to a political group as defined under AS 15.60, to a group as defined under AS 15.13.130, to an organization or club organized under or formally affiliated with a political party, to political, educational, civic, public, charitable, patriotic, or religious uses in the state, and to the awarding of prizes to contestants or participants. "Political, educational, civic, public, charitable, patriotic, or religious uses" means those uses described in AS 05.15.150(a). The net proceeds derived from raffles under this subsection must be devoted within one year to one or more of the uses described in this section. A political organization desiring to hold the net proceeds for a period longer than one year must apply to the department for special permission and upon good cause shown the department may grant the request.

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

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

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

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

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

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

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