

**HOUSE BILL NO. 286**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES WILLIAMS, Toohey

Introduced: 3/28/95

Referred: Judiciary, Finance

**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.** AS 04.16.175 is amended by adding a new subsection to read:

10 (c) This section does not apply to an agent or employee of a cruise ship  
11 authorized to conduct gambling activities under AS 05.15.250 and AS 11.66.275.

12 \* **Sec. 2.** AS 05.15 is amended by adding a new section to read:

13 **ARTICLE 2A. CRUISE SHIP EXEMPTION.**

1           Sec. 05.15.250. EXEMPTION OF CRUISE SHIPS. (a) A cruise ship may  
2 conduct gambling as permitted under AS 11.66.275 in the offshore water of the state  
3 if

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

6                   (2) the operator of the cruise ship agrees to comply with AS 45.50.474;  
7 and

8                   (3) the operator pays the annual exemption fee required under (b) of  
9 this section.

10           (b) The exemption fee for a cruise ship to conduct gambling under (a) of this  
11 section is for cruise ships with a capacity of

- 12                   (1) 500 or fewer passengers . . . . . \$10,000;  
13                   (2) 501 - 999 passengers . . . . . \$20,000;  
14                   (3) 1000 - 1999 passengers . . . . . \$30,000;  
15                   (4) 2,000 passengers or more . . . . . \$40,000.

16           (c) The department shall revoke the exemption of a cruise ship that becomes  
17 ineligible to hold an exemption under this section, provides false information in an  
18 application for an exemption, violates an order issued under AS 05.15.200, or conducts  
19 gambling in violation of the provisions of AS 11.66.275. When revoking an  
20 exemption under this subsection, the department may bar a cruise ship from obtaining  
21 an exemption under this section in the future or for a specified number of years in the  
22 future.

23           (d) Except for AS 05.15.195, 05.15.200, and 05.15.210, other provisions of this  
24 chapter do not apply to gambling on a cruise ship.

25           (e) In this section,

26                   (1) "cruise ship" means a ship that operates at least 120 days a year  
27 anywhere in the world, provides cruises of at least 72 hours in length for ticketed  
28 passengers, provides on board the ship overnight accommodations for at least 300  
29 passengers, is operated by an authorized cruise ship operator, and is certified under  
30 the International Convention for the Safety of Life at Sea or otherwise certified by the  
31 United States Coast Guard;

1 (2) "offshore water of the state" has the meaning given in  
2 AS 11.66.275.

3 \* **Sec. 3.** AS 05.15.680(b) is amended to read:

4 (b) A person who, with the intent to mislead a public servant in the  
5 performance of the public servant's duty, submits a false statement in an application  
6 for a permit, license, **exemption**, or vendor registration under this chapter is guilty of  
7 unsworn falsification.

8 \* **Sec. 4.** AS 11.66 is amended by adding a new section to read:

9 Sec. 11.66.275. CRUISE SHIP EXEMPTION. (a) The provisions of  
10 AS 11.66.200 - 11.66.280 do not apply to gambling conducted by a cruise ship for its  
11 ticketed passengers in the offshore water of the state if

12 (1) the cruise ship is exempt under AS 05.15.250;

13 (2) the cruise ship does not conduct gambling in, or within three miles  
14 of, a state port visited by the cruise ship;

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

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

19 (b) In this section,

20 (1) "cruise ship" means a ship that operates at least 120 days a year  
21 anywhere in the world, provides cruises of at least 72 hours in length for ticketed  
22 passengers, provides on board the ship overnight accommodations for at least 300  
23 passengers, is operated by an authorized cruise ship operator, and is certified under  
24 the International Convention for the Safety of Life at Sea or otherwise certified by the  
25 United States Coast Guard;

26 (2) "offshore water of the state" means the marine water over which  
27 the state has jurisdiction.

28 \* **Sec. 5.** AS 43.35.010 is amended by adding a new subsection to read:

29 (d) The tax imposed by this section does not apply to a coin-operated device  
30 on board a cruise ship for a tax period during which the cruise ship is authorized to  
31 conduct gambling activities under AS 05.15.250 and AS 11.66.275.

1 \* **Sec. 6.** AS 45.50.474 is amended to read:

2           Sec. 45.50.474. **REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD**  
3 **CRUISE SHIPS.** A person may not conduct a promotion on board a cruise ship that  
4 mentions or features a business in a state port that has paid something of value for the  
5 purpose of having the business mentioned or featured, unless the person conducting  
6 the promotion clearly and fully discloses orally and in all written materials used in the  
7 promotion that the featured businesses have paid to be included in the promotion.

8 **This prohibition does not apply to on-shore excursions that are sold on board a**  
9 **cruise ship.** A violation of this section constitutes an unfair trade practice under  
10 AS 45.50.471. In this section, "cruise ship" means a ship that operates at least 120  
11 days a year anywhere in the world, provides cruises of at least 72 hours in length for  
12 ticketed passengers, provides overnight accommodations and meals for those  
13 passengers, is operated by an authorized cruise ship operator, and is certified under the  
14 International Convention for the Safety of Life at Sea or otherwise certified by the  
15 United States Coast Guard.

16 \* **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).