

HOUSE BILL NO. 307

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES TOOHEY, Phillips, James, Martin

Introduced: 4/12/95

Referred: Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act prohibiting the sale of pull-tabs; and providing for an effective date."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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

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

6 (1) the issuance, renewal, and revocation of permits **and** [,] licenses [,
7 AND VENDOR REGISTRATIONS];

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

13 (3) the immediate revocation of permits **and** [,] licenses [, AND
14 VENDOR REGISTRATIONS] authorized under this chapter if this chapter or
15 regulations adopted under it are violated;

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

3 (5) the investigation of permittees, licensees, [REGISTERED
4 VENDORS,] and their employees, including the fingerprinting of those permittees,
5 licensees, [REGISTERED VENDORS,] and employees whom the department considers
6 it advisable to fingerprint;

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

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

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

19 (9) the disposition of funds in possession of a permittee, a person,
20 municipality, or qualified organization that possesses an operator's license [, OR A
21 REGISTERED VENDOR] at the time a permit or [,] a license [, OR A VENDOR
22 REGISTRATION] is surrendered, revoked, or invalidated;

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

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

28 * **Sec. 2.** AS 05.15.070 is amended to read:

29 Sec. 05.15.070. EXAMINATION OF BOOKS AND RECORDS. The
30 department may examine or have examined the books and records of a permittee or
31 [,] an operator [, A REGISTERED VENDOR, OR A PERSON LICENSED TO

1 MANUFACTURE OR TO DISTRIBUTE PULL-TAB GAMES IN THE STATE]. The
2 department may issue subpoenas for the attendance of witnesses and the production of
3 books, records, and other documents.

4 * **Sec. 3.** AS 05.15.095(a) is amended to read:

5 (a) The applications and reports to the department required by this chapter
6 shall be signed under penalty of unsworn falsification by the following person, as
7 applicable:

8 (1) the member in charge for the qualified organization;

9 (2) a person authorized to sign on behalf of the municipality; **or**

10 (3) the operator or the operator's agent [;

11 (4) THE LICENSED PULL-TAB DISTRIBUTOR OR THE
12 DISTRIBUTOR'S AGENT; OR

13 (5) THE LICENSED PULL-TAB MANUFACTURER OR THE
14 MANUFACTURER'S AGENT].

15 * **Sec. 4.** AS 05.15.100(a) is amended to read:

16 (a) The department may issue a permit to a municipality or qualified
17 organization. The permit gives the municipality or qualified organization the privilege
18 of conducting bingo, raffles and lotteries, [PULL-TAB GAMES,] ice classics, rain
19 classics, goose classics, mercury classics, canned salmon classics, salmon classics, king
20 salmon classics, dog mushers' contests, fish derbies, and contests of skill.

21 * **Sec. 5.** AS 05.15.105(a) is amended to read:

22 (a) If a person has been convicted of a violation of a law of this state that is,
23 or a law or ordinance of another jurisdiction that would be if it had been committed
24 in this state, a felony, or a violation of a law or ordinance of this state or another
25 jurisdiction that is a crime involving theft or dishonesty or a violation of gambling
26 laws, the

27 (1) [THE] department may not issue a license to the person;

28 (2) [THE] department may not issue a license to [, OR REGISTER
29 AS A VENDOR,] an applicant who employs the person in a managerial or supervisory
30 capacity or uses the person as a fund raiser or consultant;

31 (3) [THE] department may not issue a permit for an activity if the

1 person is responsible for the operation of the activity;

2 (4) [THE] person may not be employed in a managerial or supervisory
3 capacity by a licensee [OR VENDOR] or used as a fund raiser or consultant by a
4 licensee [OR VENDOR];

5 (5) [THE] person may not participate in charitable gaming as a
6 permittee or [,] licensee [, OR VENDOR].

7 * **Sec. 6.** AS 05.15.115(c) is amended to read:

8 (c) A permittee may not contract with more than one operator at a time to
9 conduct the same type of activity. For the purposes of this subsection, bingo games,
10 raffles, lotteries, [PULL-TAB GAMES,] ice classics, rain classics, goose classics,
11 mercury classics, canned salmon classics, salmon classics, king salmon classics, dog
12 mushers' contests, fish derbies, contests of skill, and all activities permitted under
13 AS 05.15.100(b) are each a different type of activity.

14 * **Sec. 7.** AS 05.15.124 is amended to read:

15 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS [OR
16 VENDORS]. A municipality may by ordinance prohibit an operator [OR A
17 VENDOR] from conducting activities under this chapter within the municipality.

18 * **Sec. 8.** AS 05.15.128(a) is amended to read:

19 (a) The department shall revoke the license of an operator who does not

20 (1) report an adjusted gross income of at least 15 percent of gross
21 income annually based on the total operation of the operator; or

22 (2) pay to each authorizing permittee annually at least [30 PERCENT
23 OF THE ADJUSTED GROSS INCOME, AS DETERMINED UNDER (1) OF THIS
24 SUBSECTION, FROM A PULL-TAB ACTIVITY OR AT LEAST] 10 percent of the
25 adjusted gross income, as determined under (1) of this subsection [, FROM A
26 GAMING ACTIVITY OTHER THAN PULL-TABS,] received from activities
27 conducted on behalf of the authorizing permittee.

28 * **Sec. 9.** AS 05.15.150(a) is amended to read:

29 (a) The authority to conduct the activity authorized by this chapter is
30 contingent upon the dedication of the net proceeds of the charitable gaming activity
31 to the awarding of prizes to contestants or participants and to political, educational,

1 civic, public, charitable, patriotic, or religious uses in the state. "Political, educational,
2 civic, public, charitable, patriotic, or religious uses" means uses benefiting persons
3 either by bringing them under the influence of education or religion or relieving them
4 from disease, suffering, or constraint, or by assisting them in establishing themselves
5 in life, or by providing for the promotion of the welfare and well-being of the
6 membership of the organization within their own community, or through aiding
7 candidates for public office or groups that support candidates for public office, or by
8 erecting or maintaining public buildings or works, or lessening the burden on
9 government, but does not include

10 (1) the direct or indirect payment of any portion of the net proceeds of
11 a bingo [OR PULL-TAB] game to a lobbyist registered under AS 24.45; 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 * **Sec. 10.** AS 05.15.160(d) is amended to read:

16 (d) The total amount of authorized expenses that may be incurred under (a) of
17 this section in connection with any gaming activity [OTHER THAN PULL-TABS]
18 may not exceed 90 percent of the adjusted gross income from that gaming activity.

19 * **Sec. 11.** AS 05.15.170 is amended to read:

20 Sec. 05.15.170. SUSPENSION OR REVOCATION OF PERMIT OR [,]
21 LICENSE [, OR VENDOR REGISTRATION]. (a) The department may suspend, for
22 a period of up to one year, or revoke a permit or [,] license [, OR VENDOR
23 REGISTRATION,] after giving notice to and an opportunity to be heard by the
24 permittee or licensee [,] if the permittee or [,] licensee [, OR VENDOR]

25 (1) violates or fails to comply with a requirement of this chapter or of
26 a regulation adopted under this chapter;

27 (2) breaches a contractual agreement with a permittee or [,] licensee
28 [, OR REGISTERED VENDOR];

29 (3) becomes disqualified to participate in charitable gaming as provided
30 in AS 05.15.105; for the purposes of this paragraph, a permittee or [,] licensee [, OR
31 VENDOR] that is not a natural person is considered convicted if an owner or manager

1 of the permittee or [,] licensee [, OR VENDOR] is convicted; or

2 (4) knowingly submits false information to the department [OR, IN
3 THE CASE OF A REGISTERED VENDOR, TO A PERMITTEE WHEN THE
4 VENDOR KNOWS THAT THE FALSE INFORMATION WILL BE SUBMITTED
5 TO THE DEPARTMENT AS PART OF AN APPLICATION FOR REGISTRATION;
6 OR

7 (5) GIVES OR ACTS UPON ANY INSIDE INFORMATION ON THE
8 STATUS OF THE PRIZES AWARDED OR TO BE AWARDED IN A PULL-TAB
9 GAME].

10 (b) If the department revokes a license [OR VENDOR REGISTRATION]
11 under this section, it may prohibit the licensee [OR VENDOR] from reapplying for a
12 license [OR VENDOR REGISTRATION] for a period of not more than five years. If
13 the department revokes a permit under this section, it may prohibit the permittee from
14 reapplying for a permit for a period of not more than one year.

15 * **Sec. 12.** AS 05.15.180(b) is amended to read:

16 (b) With the exception of raffles, lotteries, bingo games, [PULL-TAB
17 GAMES,] rain classics, goose classics, mercury classics, canned salmon classics,
18 salmon classics, king salmon classics, and other activities authorized under
19 AS 05.15.100(b), an activity may not be licensed under this chapter unless it existed
20 in the state in substantially the same form and was conducted in substantially the same
21 manner before January 1, 1959.

22 * **Sec. 13.** AS 05.15 is amended by adding a new section to read:

23 Sec. 05.15.196. PULL-TAB GAMES PROHIBITED. (a) The sale,
24 manufacture, or distribution of pull-tab games is prohibited.

25 (b) In this section, "pull-tab game" means a game of chance where a card, the
26 face of which is covered to conceal a number, symbol, or set of symbols, is purchased
27 by the participant and where a prize is awarded for a card containing certain numbers
28 or symbols designated in advance or at random.

29 * **Sec. 14.** AS 05.15.620(c) is amended to read:

30 (c) If a majority of the voters vote "yes" on the question set out in (a) [OR
31 (b)] of this section, the department shall be notified immediately after certification of

1 the results of the election and thereafter the department may not issue a license or [,]
2 permit [, OR VENDOR REGISTRATION] authorizing charitable gaming [OR PULL-
3 TAB SALES, AS APPROPRIATE,] within the boundaries of a municipality and in
4 unincorporated areas within five miles of the boundaries of the municipality or within
5 the perimeter of an established village. As necessary to implement the results of an
6 election under (a) [OR (b)] of this section, existing licenses and [,] permits [, AND
7 VENDOR REGISTRATIONS] for charitable gaming [OR PULL-TAB SALES] within
8 the boundaries of a municipality and in unincorporated areas within five miles of the
9 boundaries of the municipality or within the perimeter of an established village are
10 void 90 days after the results of the election are certified. A license [OR VENDOR
11 REGISTRATION] that will expire during the 90 days after the results of a local option
12 election under this section are certified is void as of the expiration date.

13 * **Sec. 15.** AS 05.15.680(b) is amended to read:

14 (b) A person who, with the intent to mislead a public servant in the
15 performance of the public servant's duty, submits a false statement in an application
16 for a permit or [,] license [, OR VENDOR REGISTRATION] under this chapter is
17 guilty of unsworn falsification.

18 * **Sec. 16.** AS 05.15.060(b), 05.15.160(c), 05.15.181, 05.15.183, 05.15.184, 05.15.185,
19 05.15.187, 05.15.188, 05.15.620(b), 05.15.690(22), 05.15.690(33), 05.15.690(39), and
20 05.15.690(40) are repealed.

21 * **Sec. 17.** This Act takes effect July 1, 1998.