

CS FOR SENATE BILL NO. 273(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 2/27/98

Referred: Rules

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring that gross receipts and ideal gross be used to account for
2 charitable gaming activities; making records received by the Department of
3 Revenue under AS 05.15 subject to the laws relating to public records and
4 providing that the Department of Revenue does not have to make those records
5 available to the public until 90 days following the receipt of the records;
6 requiring municipalities to provide to the state records concerning sales taxes
7 assessed for charitable gaming activities; relating to requiring that a charitable
8 share of charitable gaming receipts be dedicated to charitable uses; relating to
9 reports required for charitable gaming activities; relating to payments to the state
10 from gross receipts of charitable gaming; relating to contracts between operators
11 or vendors and permittees; relating to licensing of multiple-beneficiary permittees
12 and to the duties of a multiple-beneficiary permittee to each holder of the permit;

1 requiring a person employed as a gaming manager to be certified by the state
 2 and relating to the duties of a gaming manager; limiting the expenditure of
 3 amounts of gross receipts and ideal gross required to be paid to permittees or
 4 retained by permittees; relating to the amount of gross receipts and prizes allowed
 5 under a permit or a multiple-beneficiary permit; allowing operators to pool gross
 6 receipts, prizes, and door prizes among permittees; and providing for an effective
 7 date."

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

9 * Section 1. AS 05.15.020(b) is amended to read:

10 (b) **A gaming** [AN ADDITIONAL] fee of one percent of the **charitable share**
 11 [NET PROCEEDS] received during the preceding year from the activities authorized
 12 under the permit shall be paid to the department annually by the municipality or
 13 qualified organization authorized to conduct activities under this chapter [,] if the gross
 14 receipts for the activities were \$20,000 or more.

15 * Sec. 2. AS 05.15.060(a) is amended to read:

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

18 (1) the issuance, renewal, and revocation of permits, **certificates,**
 19 licenses, and vendor registrations;

20 (2) a method of **accounting for gross receipts from activities**
 21 **conducted by a municipality or qualified organization or an operator and of**
 22 **assuring that payments due to permittees, the holders of a multiple-beneficiary**
 23 **permit, and the department are made at the times and in the amounts or**
 24 **percentages required** [ASCERTAINING NET PROCEEDS, THE DETERMINATION
 25 OF ITEMS OF EXPENSE THAT MAY BE INCURRED OR PAID, AND THE
 26 LIMITATION OF THE AMOUNT OF THE ITEMS OF EXPENSE] to prevent the
 27 proceeds from the activity permitted from being diverted to noncharitable,
 28 noneducational, nonreligious, or profit-making organizations, individuals, or groups;

1 (3) the immediate revocation of permits, **certificates**, licenses, and
2 vendor registrations authorized under this chapter if this chapter or regulations adopted
3 under it are violated;

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

6 (5) the investigation of permittees, **gaming managers**, licensees,
7 registered vendors, and their employees, including the fingerprinting of those
8 permittees, **gaming managers**, licensees, registered vendors, and employees whom the
9 department considers it advisable to fingerprint;

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

12 (7) the number of activities that may be held, operated, or conducted
13 under a permit during a specified period; however, the department may not allow more
14 than 14 bingo sessions a month and 35 bingo games a session to be conducted under
15 a permit; the holders of a multiple-beneficiary permit under AS 05.15.100(d) may hold,
16 operate, or conduct the number of sessions and games a month equal to the number
17 allowed an individual permittee per month multiplied by the number of **municipalities**
18 **and qualified organizations that hold** [HOLDERS OF] the multiple-beneficiary
19 permit;

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

23 (9) the disposition of funds in possession of a permittee, **a gaming**
24 **manager**, a person, municipality, or qualified organization that possesses an operator's
25 license, or a registered vendor at the time a permit, **a certificate**, a license, or a vendor
26 registration is surrendered, revoked, or invalidated;

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

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

1 * **Sec. 3.** AS 05.15.060 is amended by adding a new subsection to read:

2 (c) Records received under this chapter are subject to AS 09.25.110 -
3 09.25.220. Notwithstanding AS 09.25.100 - 09.25.220, the department does not have
4 to make available to the public records received under this chapter until 90 days after
5 the record is received by the department. The department shall release the records to
6 the public after 90 days.

7 * **Sec. 4.** AS 05.15.070 is amended to read:

8 **Sec. 05.15.070. Examination of books and records; access to municipal**
9 **sales tax records.** The department may examine or have examined the books and
10 records of a permittee, an operator, a registered vendor, **a gaming manager**, or a
11 person licensed to manufacture or to distribute pull-tab games in the state. The
12 department may issue subpoenas for the attendance of witnesses and the production of
13 books, records, and other documents.

14 * **Sec. 5.** AS 05.15.070 is amended by adding a new subsection to read:

15 (b) A municipality that levies a sales tax on a permittee, an operator, or a
16 registered vendor for activities conducted or allowed under this chapter shall provide
17 the department with information concerning the levy, assessment, and collection of the
18 sales tax when requested by the department.

19 * **Sec. 6.** AS 05.15.080 is amended to read:

20 **Sec. 05.15.080. Reports and fees required of municipalities and qualified**
21 **organizations.** (a) A municipality or a qualified organization issued a permit under
22 this chapter shall file a report with the department by the 45th day following each
23 calendar quarter in which the permittee had gross receipts of \$50,000 or more from
24 activities authorized under this chapter. The report must include the type of activity
25 conducted, the **dates** [DATE] and **locations** [LOCATION] of the **activities**
26 [ACTIVITY], the amount of gross receipts **from each activity** [, THE AMOUNT OF
27 AUTHORIZED EXPENSES], the value of prizes awarded **for each activity** [, THE
28 AMOUNT OF NET PROCEEDS], and other information the department may require.
29 However, if the only activity conducted by a municipality or qualified organization
30 during a calendar quarter is a raffle **and** [OR] lottery, then the municipality or
31 qualified organization is not required to file a report under this subsection until the

1 raffle **and** [OR] lottery is completed.

2 (b) A municipality or a qualified organization issued a permit under this
 3 chapter shall file an annual report with the department by March 15 of the year
 4 following the year in which activities were conducted, accompanied by the payment
 5 of the **gaming** [ADDITIONAL] fee, as may be required under AS 05.15.020(b). The
 6 report must list the types of activities conducted, and, for each activity, the total
 7 amount of gross receipts, [THE TOTAL AMOUNT OF AUTHORIZED EXPENSES,]
 8 the total value of prizes awarded, and the total amount of **the charitable share** [NET
 9 PROCEEDS].

10 * **Sec. 7.** AS 05.15.083 is amended to read:

11 **Sec. 05.15.083. Reports to department by operators.** (a) An operator shall
 12 file a report with the department by the last business day of the month following each
 13 calendar quarter in which an activity was conducted. The report must include, for each
 14 authorizing permittee on whose behalf an activity was conducted during the quarter,
 15 the date and location of each activity, the type of activity conducted, the amount of
 16 gross receipts **from each activity** [, THE AMOUNT OF AUTHORIZED EXPENSES],
 17 the value of prizes awarded **for each activity**, the amount of **the charitable share**
 18 [NET PROCEEDS] paid **to the permittee from each activity**, and other information
 19 the department may require; a completed Internal Revenue Service Form 941; and a
 20 copy of the operator's employer contributions and wage reports submitted to the
 21 Department of Labor for the quarter. However, if the only activity conducted by an
 22 operator during the calendar quarter is a raffle **and** [OR] lottery, then the operator is
 23 not required to file a report under this subsection until the raffle **and** [OR] lottery is
 24 completed.

25 (b) An operator shall file an annual report with the department no later than
 26 February 28 of the year following the year in which activities were conducted. The
 27 report must include, for each authorizing permittee on whose behalf an activity was
 28 conducted, the types of activities conducted, the total amount of gross receipts **from**
 29 **each activity conducted** [, THE TOTAL AMOUNT OF AUTHORIZED EXPENSES],
 30 the total value of prizes awarded **for each activity**, and the total amount of **the**
 31 **charitable share from each activity** [NET PROCEEDS] paid to each authorizing

1 permittee. The annual report must also include a completed Internal Revenue Service
2 Form W-2 for each person employed by the operator during the preceding year.

3 * **Sec. 8.** AS 05.15.083 is amended by adding a new subsection to read:

4 (c) An operator shall deliver to each authorizing permittee a copy of the
5 reports required under this section and shall certify on the report to the department that
6 delivery has been made to the permittee.

7 * **Sec. 9.** AS 05.15.087(a) is repealed and reenacted to read:

8 (a) An operator shall pay at least the minimum charitable shares described in
9 AS 05.15.128 due to an authorizing permittee by the 15th day of the month following
10 the calendar quarter in which the operator conducted an activity on behalf of the
11 permittee.

12 * **Sec. 10.** AS 05.15.105(a) is amended to read:

13 (a) If a person has been convicted of a violation of a law of this state that is,
14 or a law or ordinance of another jurisdiction that would be if it had been committed
15 in this state, a felony, or a violation of a law or ordinance of this state or another
16 jurisdiction that is a crime involving theft or dishonesty or a violation of gambling
17 laws,

18 (1) the department may not issue a license to the person;

19 (2) the department may not issue a license to, or register as a vendor,
20 an applicant who employs the person **as a gaming manager or** in a managerial or
21 supervisory capacity or uses the person as a fund raiser or consultant;

22 (3) the department may not issue a permit for an activity if the person
23 is responsible for the operation of the activity;

24 (4) the person may not be employed **as a gaming manager or** in a
25 managerial or supervisory capacity by a licensee or vendor or used as a fund raiser or
26 consultant by a licensee or vendor;

27 (5) the person may not participate in charitable gaming as a permittee,
28 **gaming manager,** licensee, or vendor;

29 **(6) the person may not be certified as a gaming manager.**

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

31 **Sec. 05.15.114. Gaming manager.** (a) A permittee may not employ, contract

1 with, or in any way engage a person to act as a gaming manager unless the person is
 2 certified by the department as a gaming manager. A person may not act as a gaming
 3 manager unless the person is certified by the department as a gaming manager.

4 (b) The department may certify a person as a gaming manager if the person

5 (1) applies under oath on a form provided by the department;

6 (2) pays the annual fee of \$50; and

7 (3) has passed a test formulated by the department on the contents of
 8 this chapter and the regulations adopted under this chapter.

9 (c) A gaming manager is accountable to the permittee or the holders of a
 10 multiple-beneficiary permit for the legal conduct of gaming activities, the accurate
 11 accounting of the total amount of gross receipts and the total value of prizes awarded,
 12 and the accurate reporting and timely remittance of the charitable share due.

13 * **Sec. 12.** AS 05.15.115(b) is amended to read:

14 (b) The contract between an authorizing permittee and an operator must
 15 include [THE AMOUNT AND FORM OF COMPENSATION TO BE PAID TO THE
 16 OPERATOR,] the term of the contract, the activities to be conducted by the operator
 17 on behalf of the permittee, the location where the activities are to be conducted, the
 18 name and address of the member in charge, and other provisions the department may
 19 require. **The contract may not contain a provision that requires the authorizing**
 20 **permittee to pay to the operator, whether from gaming receipts or proceeds or**
 21 **from other separate funds of the permittee, an amount that would result in the**
 22 **permittee realizing less from the gaming activity than the minimum charitable**
 23 **share required to be paid to a permittee under this chapter.**

24 * **Sec. 13.** AS 05.15.115(d) is amended to read:

25 (d) A permittee shall submit by certified mail to the department for **review**
 26 [APPROVAL] a copy of each contract with an operator with whom the permittee
 27 contracts to conduct activities subject to this chapter. The contract must meet the
 28 requirements of this section. **If the contract does not meet the requirements of this**
 29 **section or contains provisions that violate this chapter or the regulations adopted**
 30 **under it, the** [THE] department shall **declare** [APPROVE OR DISAPPROVE] the
 31 contract **void. Any changes to a contract must be submitted to the department for**

1 **review under this section.** If the contract is **declared void, the** [DISAPPROVED,]
 2 reasons [FOR THE DISAPPROVAL] shall be provided in writing to the permittee.
 3 Activities may not be conducted under **a** [THE] contract **declared void** [BEFORE
 4 THE CONTRACT IS APPROVED. SUBSEQUENT AMENDMENTS TO AN
 5 APPROVED CONTRACT DO NOT TAKE EFFECT UNTIL THE AMENDMENTS
 6 ARE APPROVED BY THE DEPARTMENT].

7 * **Sec. 14.** AS 05.15.128(a) is repealed and reenacted to read:

8 (a) The department shall revoke the license of an operator who does not on an
 9 annual basis pay at least the following minimum charitable shares to each authorizing
 10 permittee:

- 11 (1) one and one-half percent of the gross receipts from bingo;
- 12 (2) seven percent of the gross receipts from a pull-tab game; and
- 13 (3) 10 percent of the gross receipts from an activity other than bingo
 14 or pull-tab games.

15 * **Sec. 15.** AS 05.15.145(a) is amended to read:

16 (a) Two to six municipalities or qualified organizations, or a combination of
 17 two to six municipalities and qualified organizations, may jointly apply for a multiple-
 18 beneficiary permit under AS 05.15.100(d). The commissioner may not issue or renew
 19 a permit except upon satisfactory proof that **(1)** each joint applicant is a municipality
 20 or qualified organization, **(2)** the activity may be permitted under this chapter, **(3) the**
 21 **multiple-beneficiary permittee has a gaming manager certified by the department**
 22 **under AS 05.15.114,** and **(4)** the issuance of a permit is not detrimental to the best
 23 interests of the public. Upon request of the commissioner, the joint applicants shall
 24 prove conclusively each of these requirements before a permit may be issued or
 25 renewed.

26 * **Sec. 16.** AS 05.15.145(d) is amended to read:

27 (d) The holders of a multiple-beneficiary permit shall jointly file reports with
 28 the department that comply with the reporting requirements imposed on operators
 29 under AS 05.15.083. **A multiple-beneficiary permittee shall file with each holder**
 30 **of the multiple-beneficiary permit quarterly and annual reports that comply and**
 31 **are consistent with the reporting and payment requirements imposed on operators**

1 under AS 05.15.083 and 05.15.087.

2 * **Sec. 17.** AS 05.15.145 is amended by adding new subsections to read:

3 (e) The department shall revoke a multiple-beneficiary permit if on an annual
4 basis at least the following minimum charitable shares are not distributed to the holders
5 of the multiple-beneficiary permit:

6 (1) one and one-half percent of the gross receipts from bingo;

7 (2) seven percent of the gross receipts from pull-tab games; and

8 (3) 10 percent of the gross receipts from an activity other than bingo
9 or pull-tab games.

10 (f) A multiple-beneficiary permittee

11 (1) shall pay the charitable share due to the holders of the multiple-
12 beneficiary permit by check;

13 (2) shall post a copy of the multiple-beneficiary permit in a public
14 place on the premises where the activities are conducted;

15 (3) shall have its financial records reviewed annually by a certified
16 public accountant; the multiple-beneficiary permittee shall submit the results of the
17 review to the department by February 28 of the year following the year for which the
18 review is conducted; and

19 (4) may not

20 (A) charge losses resulting from bad checks or uncollectible
21 debts against the charitable shares due to the holders of the multiple-beneficiary
22 permit;

23 (B) extend credit to players;

24 (C) employ house players;

25 (D) allow the permittee's employees to play a game conducted
26 by the permittee.

27 * **Sec. 18.** AS 05.15.150 is amended to read:

28 **Sec. 05.15.150. Limitation on use of charitable share [PROCEEDS].** (a)

29 The charitable share that is paid to or retained by a permittee for an
30 [AUTHORITY TO CONDUCT THE] activity authorized by this chapter may only be
31 expended by the permittee for [IS CONTINGENT UPON THE DEDICATION OF

1 THE NET PROCEEDS OF THE CHARITABLE GAMING ACTIVITY TO THE
 2 AWARDING OF PRIZES TO CONTESTANTS OR PARTICIPANTS AND TO]
 3 political, educational, civic, public, charitable, patriotic, or religious uses in the state.

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

13 (1) the direct or indirect payment of any portion of the **charitable**
 14 **share paid to or retained by a permittee** [NET PROCEEDS] of a bingo or pull-tab
 15 game to a lobbyist registered under AS 24.45;

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

19 (3) the direct or indirect payment of any portion of the **charitable**
 20 **share paid to or retained by a permittee** [NET PROCEEDS] of a charitable gaming
 21 activity, except the **charitable share** [PROCEEDS] of a raffle and lottery,

22 (A) to aid candidates for public office or groups that support or
 23 oppose candidates for public office;

24 (B) to a political party or to an organization affiliated with a
 25 political party; or

26 (C) to a group, as that term is defined in AS 15.13.400, or a
 27 political group, as that term is defined in AS 15.60, that seeks to influence the
 28 outcome of an election.

29 (b) The **charitable share** [NET PROCEEDS] derived from the activity must
 30 be devoted within one year to one or more of the uses stated in (a) of this section. A
 31 municipality or qualified organization desiring to hold the **charitable share** [NET

1 PROCEEDS] for a period longer than one year must apply to the department for
 2 special permission, and, upon good cause shown, the department may grant the request.

3 * **Sec. 19.** AS 05.15.150 is amended by adding a new subsection to read:

4 (c) Notwithstanding (a) and (b) of this section, a dog mushers' association may
 5 elect to apply the charitable share realized from activities conducted under this chapter
 6 to prizes for contestants in a dog mushers' contest conducted in the following year.

7 * **Sec. 20.** AS 05.15 is amended by adding a new section to read:

8 **Sec. 05.15.155. Required charitable share from activities conducted by**
 9 **permittees.** The department shall revoke the permit of a municipality or qualified
 10 organization that fails on an annual basis to retain at least the following minimum
 11 charitable shares:

12 (1) one and one-half percent of the gross receipts from bingo;

13 (2) seven percent of the

14 (A) gross receipts from pull-tab games not conducted by a
 15 vendor; and

16 (B) ideal gross from pull-tab games conducted by a vendor; and

17 (3) 10 percent of the gross receipts from an activity other than bingo
 18 or pull-tab games.

19 * **Sec. 21.** AS 05.15.165(a) is amended to read:

20 (a) An operator shall pay **the charitable share** [NET PROCEEDS] to the
 21 authorizing permittee by check.

22 * **Sec. 22.** AS 05.15.165(f) is amended to read:

23 (f) An operator may not

24 (1) charge losses resulting from bad checks or uncollectible debts
 25 against the **gross receipts from the activity or against the charitable share** [NET
 26 PROCEEDS] due to the authorizing permittee;

27 (2) extend credit to players;

28 (3) employ house players;

29 (4) allow the operator's employees to play a game conducted by the
 30 operator at the location where the employee works for the operator.

31 * **Sec. 23.** AS 05.15 is amended by adding a new section to read:

1 **Sec. 05.15.166. Pooling of gross receipts, prizes, and door prizes.** (a) An
 2 operator that conducts bingo, pull-tab, or other games under this chapter on behalf of
 3 two or more permittees may monthly allocate the gross receipts and the total value of
 4 the prizes offered or awarded, including the value of door prizes, among all of the
 5 permittees whose permits are in use during the month in which the games are
 6 conducted.

7 (b) A multiple-beneficiary permittee that conducts bingo, pull-tab, or other
 8 games under this chapter may monthly allocate the gross receipts and the total value
 9 of the prizes offered or awarded, including the value of door prizes, among all of the
 10 holders of the multiple-beneficiary permit during the month in which the games are
 11 conducted.

12 (c) An allocation made under

13 (1) (a) of this section shall be based on the number of days of the
 14 month that each permit is in play for each type of gaming activity;

15 (2) (b) of this section must be based on a preexisting written agreement
 16 between the holders of the multiple-beneficiary permit;

17 (3) (a) or (b) of this section must allocate a permittee's gross receipts
 18 at the same rate the total value of the prizes offered or awarded, including the value
 19 of door prizes, is allocated; and

20 (4) (a) or (b) of this section may not result in a permittee exceeding the
 21 prize limitations of AS 05.15.180.

22 * **Sec. 24.** AS 05.15.167(a) is amended to read:

23 (a) The bond or security filed under AS 05.15.122(b) must be made payable
 24 to the department and must be conditioned upon payment of the amounts due to the
 25 department and payment of **the charitable share** [NET PROCEEDS] due to the
 26 authorizing permittee. If the operator fails to make the required payments, the operator
 27 forfeits the bond or security to the department.

28 * **Sec. 25.** AS 05.15.167(b) is amended to read:

29 (b) The amount forfeited under (a) of this section shall be first used to satisfy
 30 delinquent fees, interest, and penalties due the department under this chapter. If the
 31 bond or security is not exhausted by payment of delinquent fees, interest, and

1 penalties, the department may use the remaining amount to pay **the charitable share**
 2 [NET PROCEEDS] due an authorizing permittee. The total amount available for
 3 payment of **the charitable share** [NET PROCEEDS] shall be prorated among the
 4 permittees to whom **charitable shares** [PROCEEDS] are due from that operator.

5 * **Sec. 26.** AS 05.15.170 is amended to read:

6 **Sec. 05.15.170. Suspension or revocation of permit, certificate, license, or**
 7 **vendor registration.** (a) The department may suspend, for a period of up to one
 8 year, or revoke a permit, **certificate**, license, or vendor registration, after giving notice
 9 to and an opportunity to be heard by the permittee, **gaming manager**, or licensee, if
 10 the permittee, **gaming manager**, licensee, or vendor

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

13 (2) breaches a contractual agreement with a permittee, licensee, or
 14 registered vendor;

15 (3) becomes disqualified to participate in charitable gaming as provided
 16 in AS 05.15.105; for the purposes of this paragraph, a permittee, licensee, or vendor
 17 that is not a natural person is considered convicted if an owner or manager of the
 18 permittee, licensee, or vendor is convicted;

19 (4) knowingly submits false information to the department or, in the
 20 case of a registered vendor, to a permittee when the vendor knows that the false
 21 information will be submitted to the department as part of an application for
 22 registration; or

23 (5) gives or acts upon any inside information on the status of the prizes
 24 awarded or to be awarded in a pull-tab game.

25 (b) If the department revokes a

26 **(1)** license or vendor registration under this section, it may prohibit the
 27 licensee or vendor from reapplying for a license or vendor registration for a period of
 28 not more than five years;

29 **(2)** [. IF THE DEPARTMENT REVOKES A] permit under this section,
 30 it may prohibit the permittee from reapplying for a permit for a period of not more
 31 than one year;

1 **(3) gaming manager certificate, it must revoke the certificate for**
 2 **a minimum of one year and not more than five years;**

3 **(4) multiple-beneficiary permit, it may not issue a multiple-**
 4 **beneficiary permit to a holder of the revoked permit for the one-year period**
 5 **immediately following the revocation and may refuse to issue a multiple-**
 6 **beneficiary permit for up to five years following the revocation.**

7 * **Sec. 27.** AS 05.15.180(g) is repealed and reenacted to read:

8 (g) Under this chapter,

9 (1) a permittee may

10 (A) have gross receipts in a calendar year of not more than

11 (i) \$1,300,000 from pull-tab games, except that a
 12 permittee who contracts with an operator may have gross receipts of not
 13 more than \$650,000 from pull-tab games;

14 (ii) \$750,000 from all charitable gaming activities
 15 conducted under this chapter other than bingo and pull-tabs;

16 (B) award in a calendar year a maximum of \$840,000 in prizes
 17 for bingo, except that a permittee who contracts with an operator may award
 18 in a calendar year a maximum of \$660,000 in prizes for bingo;

19 (2) the holders of a multiple-beneficiary permit may

20 (A) have gross receipts in a calendar year from

21 (i) pull-tab games of not more than \$1,300,000
 22 multiplied by the number of holders of the multiple-beneficiary permit;

23 (ii) charitable gaming activities other than bingo and
 24 pull-tab games of not more than \$750,000 multiplied by the number of
 25 holders of the multiple-beneficiary permit;

26 (B) award prizes in a calendar year for bingo games of a
 27 maximum of \$840,000 multiplied by the number of holders of the multiple-
 28 beneficiary permit.

29 * **Sec. 28.** AS 05.15.188(h) is amended to read:

30 (h) If a permittee contracts with a vendor under (a) of this section, the contract
 31 must provide that the permittee shall receive no less than **16** [70] percent of the ideal

1 **gross** [NET].

2 * **Sec. 29.** AS 05.15.188(i) is repealed and reenacted to read:

3 (i) The amount required to be paid to the permittee under (h) of this section
4 shall be paid by the vendor to the member-in-charge upon delivery of a pull-tab series
5 to the vendor for sale. The amount required to be paid by the vendor shall be paid by
6 check, and the check may not be drawn in a manner that the payee is not identified.

7 * **Sec. 30.** AS 05.15.680(b) is amended to read:

8 (b) A person who, with the intent to mislead a public servant in the
9 performance of the public servant's duty, submits a false statement in an application
10 for a permit, certificate, license, or vendor registration under this chapter is guilty of
11 unsworn falsification.

12 * **Sec. 31.** AS 05.15.690(21) is amended to read:

13 (21) "gross receipts" means the total receipts, excluding local sales
14 and federal excise taxes collected on the sale of the shares, tickets, or rights,
15 without deducting any prize or expense, from the sale of shares, tickets, or rights
16 connected with participation in any activity permitted under this chapter or the right
17 to participate, including admission, fee or charge, sale of equipment or supplies, and
18 all other miscellaneous receipts;

19 * **Sec. 32.** AS 05.15.690(23) is amended to read:

20 (23) "ideal **gross** [NET]" means an amount equal to the total amount
21 of receipts that would be received if every individual pull-tab ticket in a series were
22 sold at face value [, LESS THE PRIZES TO BE AWARDED FOR THAT SERIES];

23 * **Sec. 33.** AS 05.15.690 is amended by adding new paragraphs to read:

24 (46) "charitable share" means the percentage of gross receipts or ideal
25 gross paid to or retained by a permittee;

26 (47) "gaming manager" means the principal individual who manages,
27 controls, or oversees the pull-tab or bingo gaming activities of a permittee and who
28 directly or indirectly receives compensation in any form for that management, control,
29 or oversight.

30 * **Sec. 34.** AS 05.15.087(b), 05.15.087(c), 05.15.160, 05.15.165(b), and 05.15.690(29) are
31 repealed.

1 * **Sec. 35.** Notwithstanding sec. 36 of this Act, the Department of Revenue may proceed
2 to adopt regulations necessary to implement the changes made by this Act. The regulations
3 take effect under AS 44.62 (Administrative Procedure Act) but not before January 1, 1999.

4 * **Sec. 36.** Except for sec. 35 of this Act, this Act takes effect January 1, 1999.

5 * **Sec. 37.** Section 35 of this Act takes effect immediately under AS 01.10.070(c).