

HOUSE CS FOR CS FOR SENATE BILL NO. 273(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/22/98

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 limiting the expenditure of amounts of gross receipts and ideal gross required to
 3 be paid to permittees or retained by permittees; relating to the amount of gross
 4 receipts and prizes allowed under a permit or a multiple-beneficiary permit;
 5 allowing operators to pool gross receipts, prizes, and door prizes among
 6 permittees; and providing for an effective date."

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

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

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

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

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

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

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

28 (3) the immediate revocation of permits, **certificates**, licenses, and
 29 vendor registrations authorized under this chapter if this chapter or regulations adopted

1 under it are violated;

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

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

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

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

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

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

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

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

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

31 (c) Records received under this chapter are subject to AS 09.25.110 -

1 09.25.220. Notwithstanding AS 09.25.100 - 09.25.220, the department does not have
 2 to make available to the public records received under this chapter until 90 days after
 3 the record is received by the department. The department shall release the records to
 4 the public after 90 days.

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

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

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

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

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

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

31 (b) A municipality or a qualified organization issued a permit under this

chapter shall file an annual report with the department by March 15 of the year following the year in which activities were conducted, accompanied by the payment of the **gaming** [ADDITIONAL] fee, as may be required under AS 05.15.020(b). The report must list the types of activities conducted, and, for each activity, the total amount of gross receipts, [THE TOTAL AMOUNT OF AUTHORIZED EXPENSES,] the total value of prizes awarded, and the total amount of **the charitable share** [NET PROCEEDS].

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

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

(b) An operator shall file an annual report with the department no later than February 28 of the year following the year in which activities were conducted. The report must include, for each authorizing permittee on whose behalf an activity was conducted, the types of activities conducted, the total amount of gross receipts **from each activity conducted** [, THE TOTAL AMOUNT OF AUTHORIZED EXPENSES], the total value of prizes awarded **for each activity**, and the total amount of **the charitable share from each activity** [NET PROCEEDS] paid to each authorizing permittee. The annual report must also include a completed Internal Revenue Service Form W-2 for each person employed by the operator during the preceding year.

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

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

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

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

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

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

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

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

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

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

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

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

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

29 **Sec. 05.15.114. Gaming manager.** (a) A permittee may not employ, contract
30 with, or in any way engage a person to act as a gaming manager unless the person is
31 certified by the department as a gaming manager. A person may not act as a gaming

1 manager unless the person is certified by the department as a gaming manager.

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

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

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

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

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

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

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

19 (d) A permittee shall submit by certified mail to the department for **review**
20 [APPROVAL] a copy of each contract with an operator with whom the permittee
21 contracts to conduct activities subject to this chapter. The contract must meet the
22 requirements of this section. **If the contract does not meet the requirements of this**
23 **section or contains provisions that violate this chapter or the regulations adopted**
24 **under it, the** [THE] department shall **declare** [APPROVE OR DISAPPROVE] the
25 contract **void. Any changes to a contract must be submitted to the department for**
26 **review under this section.** If the contract is **declared void, the** [DISAPPROVED,]
27 reasons [FOR THE DISAPPROVAL] shall be provided in writing to the permittee.
28 Activities may not be conducted under **a** [THE] contract **declared void** [BEFORE
29 THE CONTRACT IS APPROVED. SUBSEQUENT AMENDMENTS TO AN
30 APPROVED CONTRACT DO NOT TAKE EFFECT UNTIL THE AMENDMENTS
31 ARE APPROVED BY THE DEPARTMENT].

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

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

5 (1) two percent of the gross receipts from bingo;

6 (2) six and one-half percent of the gross receipts from a pull-tab game;

7 and

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

10 * **Sec. 15.** AS 05.15.128(a) is amended to read:

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

14 (1) two percent of the gross receipts from bingo;

15 (2) **seven** [SIX AND ONE-HALF] percent of the gross receipts from
16 a pull-tab game; and

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

19 * **Sec. 16.** AS 05.15.145(a) is amended to read:

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

30 * **Sec. 17.** AS 05.15.145(d) is amended to read:

31 (d) The holders of a multiple-beneficiary permit shall jointly file reports with

1 the department that comply with the reporting requirements imposed on operators
 2 under AS 05.15.083. **A multiple-beneficiary permittee shall file with each holder**
 3 **of the multiple-beneficiary permit quarterly and annual reports that comply and**
 4 **are consistent with the reporting and payment requirements imposed on operators**
 5 **under AS 05.15.083 and 05.15.087.**

6 * **Sec. 18.** AS 05.15.145 is amended by adding new subsections to read:

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

10 (1) two percent of the gross receipts from bingo;

11 (2) six and one-half percent of the gross receipts from pull-tab games;

12 and

13 (3) 10 percent of the gross receipts from an activity other than bingo
 14 or pull-tab games.

15 (f) A multiple-beneficiary permittee

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

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

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

24 (4) may not

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

28 (B) extend credit to players;

29 (C) employ house players;

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

1 * **Sec. 19.** AS 05.15.145(e) is amended to read:

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

5 (1) two percent of the gross receipts from bingo;

6 (2) seven [SIX AND ONE-HALF] percent of the gross receipts from
7 pull-tab games; and

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

10 * **Sec. 20.** AS 05.15.150 is amended to read:

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

12 The charitable share that is paid to or retained by a permittee for an
13 [AUTHORITY TO CONDUCT THE] activity authorized by this chapter may only be
14 expended by the permittee for [IS CONTINGENT UPON THE DEDICATION OF
15 THE NET PROCEEDS OF THE CHARITABLE GAMING ACTIVITY TO THE
16 AWARDING OF PRIZES TO CONTESTANTS OR PARTICIPANTS AND TO]
17 political, educational, civic, public, charitable, patriotic, or religious uses in the state.

18 "Political, educational, civic, public, charitable, patriotic, or religious uses" means uses
19 benefiting persons either by bringing them under the influence of education or religion
20 or relieving them from disease, suffering, or constraint, or by assisting them in
21 establishing themselves in life, or by providing for the promotion of the welfare and
22 well-being of the membership of the organization within their own community, or
23 through aiding candidates for public office or groups that support candidates for public
24 office, or by erecting or maintaining public buildings or works, or lessening the burden
25 on government. "Political, educational, civic, public, charitable, patriotic, or
26 religious uses" [, BUT] does not include

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

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

1 permitted uses; or

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

5 (A) to aid candidates for public office or groups that support or
 6 oppose candidates for public office;

7 (B) to a political party or to an organization affiliated with a
 8 political party; or

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

12 (b) The **charitable share** [NET PROCEEDS] derived from the activity must
 13 be devoted within one year to one or more of the uses stated in (a) of this section. A
 14 municipality or qualified organization desiring to hold the **charitable share** [NET
 15 PROCEEDS] for a period longer than one year must apply to the department for
 16 special permission, and, upon good cause shown, the department may grant the request.

17 * **Sec. 21.** AS 05.15.150 is amended by adding a new subsection to read:

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

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

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

26 (1) two percent of the gross receipts from bingo;

27 (2) six and one-half percent of the

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

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

31 (3) 10 percent of the gross receipts from an activity other than bingo

1 or pull-tab games.

2 * **Sec. 23.** AS 05.15.155 is amended to read:

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

7 (1) two percent of the gross receipts from bingo;

8 (2) seven [SIX AND ONE-HALF] percent of the

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

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

12 (3) 10 percent of the gross receipts from an activity other than bingo
 13 or pull-tab games.

14 * **Sec. 24.** AS 05.15.165(a) is amended to read:

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

17 * **Sec. 25.** AS 05.15.165(f) is amended to read:

18 (f) An operator may not

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

22 (2) extend credit to players;

23 (3) employ house players;

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

26 * **Sec. 26.** AS 05.15 is amended by adding a new section to read:

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

1 conducted.

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

7 (c) An allocation made under

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

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

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

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

17 * **Sec. 27.** AS 05.15.167(a) is amended to read:

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

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

24 (b) The amount forfeited under (a) of this section shall be first used to satisfy
25 delinquent fees, interest, and penalties due the department under this chapter. If the
26 bond or security is not exhausted by payment of delinquent fees, interest, and
27 penalties, the department may use the remaining amount to pay **the charitable share**
28 [NET PROCEEDS] due an authorizing permittee. The total amount available for
29 payment of **the charitable share** [NET PROCEEDS] shall be prorated among the
30 permittees to whom **charitable shares** [PROCEEDS] are due from that operator.

31 * **Sec. 29.** AS 05.15.170 is amended to read:

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

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

8 (2) breaches a contractual agreement with a permittee, licensee, or
 9 registered vendor;

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

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

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

20 (b) If the department revokes a

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

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

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

29 **(4)** multiple-beneficiary permit, it may not issue a multiple-
 30 beneficiary permit to a holder of the revoked permit for the one-year period
 31 immediately following the revocation and may refuse to issue a multiple-

beneficiary permit for up to five years following the revocation.

* **Sec. 30.** AS 05.15.180(g) is repealed and reenacted to read:

(g) Under this chapter,

(1) a permittee may

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

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

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

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

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

(A) have gross receipts in a calendar year from

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

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

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

* **Sec. 31.** AS 05.15.188(h) is amended to read:

(h) If a permittee contracts with a vendor under (a) of this section, the contract must provide that the permittee shall receive no less than **18** [70] percent of the ideal **gross** [NET].

* **Sec. 32.** AS 05.15.188(i) is repealed and reenacted to read:

(i) The amount required to be paid to the permittee under (h) of this section shall be paid by the vendor to the member-in-charge upon delivery of a pull-tab series to the vendor for sale. The amount required to be paid by the vendor shall be paid by

1 check, and the check may not be drawn in a manner that the payee is not identified.

2 * **Sec. 33.** AS 05.15.680(b) is amended to read:

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

7 * **Sec. 34.** AS 05.15.690(21) is amended to read:

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

14 * **Sec. 35.** AS 05.15.690(23) is amended to read:

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

18 * **Sec. 36.** AS 05.15.690 is amended by adding new paragraphs to read:

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

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

25 * **Sec. 37.** AS 05.15.087(b), 05.15.087(c), 05.15.160, 05.15.165(b), and 05.15.690(29) are
26 repealed.

27 * **Sec. 38.** Notwithstanding sec. 39 of this Act, the Department of Revenue may proceed
28 to adopt regulations necessary to implement the changes made by this Act. The regulations
29 take effect under AS 44.62 (Administrative Procedure Act) but not before January 1, 1999.

30 * **Sec. 39.** Except for secs. 15, 19, 23, and 38 of this Act, this Act takes effect January 1,
31 1999.

- 1 * **Sec. 40.** Sections 15, 19, and 23 of this Act take effect January 1, 2000.
- 2 * **Sec. 41.** Section 38 of this Act takes effect immediately under AS 01.10.070(c).