

**HOUSE BILL NO. 552**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Introduced: 4/6/04**  
**Referred: Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to gambling and gaming."**

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

3 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 LEGISLATIVE INTENT. This chapter is intended to benefit the people of Alaska by  
6 promoting tourism and assisting economic development. The public's confidence and trust  
7 will be maintained only through

8 (1) comprehensive law enforcement supervision; and

9 (2) the strict regulation of facilities, persons, associations, and gambling  
10 operations under AS 05.18.

11 \* **Sec. 2.** AS 04.11.370(c) is amended to read:

12 (c) If the board receives notice from the Alaska Gaming Commission  
13 [DEPARTMENT OF REVENUE] that a licensee or permittee has violated a provision  
14 of AS 05.15 related to gambling, the board

15 (1) may suspend the license or permit; and

1 (2) shall suspend the license or permit for a period of at least 30 days if  
 2 the offense is the person's second or subsequent violation of AS 05.15 related to  
 3 gambling.

4 \* **Sec. 3.** AS 05.15.010 is amended to read:

5 **Sec. 05.15.010. Alaska Gaming Commission [DEPARTMENT OF**  
 6 **REVENUE] to administer chapter. The Alaska Gaming Commission in the**  
 7 Department of Revenue shall administer this chapter.

8 \* **Sec. 4.** AS 05.15.690 is amended by adding a new paragraph to read:

9 (46) "commission" means the Alaska Gaming Commission.

10 \* **Sec. 5.** AS 05 is amended by adding a new chapter to read:

11 **Chapter 18. Gambling and the Alaska Gaming Commission.**

12 **Sec. 05.18.010. Gaming Commission established; membership.** (a) The  
 13 Alaska Gaming Commission is established in the Department of Revenue.

14 (b) The commission consists of three members appointed by the governor.  
 15 Each member of the commission must be a resident of the state. At least one member  
 16 shall be experienced in law enforcement and criminal investigation. At least one  
 17 member shall be a certified public accountant experienced in accounting and auditing.  
 18 Not more than two members may be affiliated with the same political affiliation or  
 19 party. The governor shall designate one member to serve as chair.

20 (c) Except as provided in (b) of this section the term of office of a commission  
 21 member is three years. Each member of the commission is eligible for reappointment  
 22 at the discretion of the governor.

23 (d) Each member of the commission is entitled to receive

24 (1) salary as determined by the commission for each day the member

25 (A) attends a meeting of the commission; or

26 (B) conducts a hearing under this chapter;

27 (2) per diem and travel expenses authorized for members of boards and  
 28 commissions under AS 39.20.180.

29 (e) A person may not be appointed to the commission or continue to be a  
 30 member of the commission if the person or the person's spouse, child, or parent is a  
 31 member of the board of directors of or financially interested in a gambling operation

1 subject to the jurisdiction of the commission under this chapter or a permittee,  
2 licensee, or registrant under AS 05.15.

3 (f) A member of the commission may not hold any other public office for  
4 which the member receives compensation other than necessary travel expenses or  
5 other incidental expenses.

6 (g) A person may not serve on the commission if the person

7 (1) has knowingly provided false statements or information of a  
8 material nature to the commission;

9 (2) has been determined by the governor or the commission to be a  
10 person whose prior activities, criminal record, if any, or reputation, habits, and  
11 associations pose a threat to the public interest or to the effective regulation or control  
12 of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices,  
13 methods, and activities in the regulation of gaming; or

14 (3) has been convicted of or is under indictment for a felony under the  
15 laws of any state in the United States, or of the United States.

16 (h) A member of the commission may be removed by the governor for

17 (1) neglect of duty;

18 (2) misfeasance;

19 (3) malfeasance;

20 (4) nonfeasance;

21 (5) becoming unqualified to be a member of the commission under (e)  
22 - (g) of this section.

23 (i) Each member of the commission shall, before beginning the discharge of  
24 the duties of the member's office, provide a bond to the state that is in the amount of  
25 \$25,000, is approved by the governor, and is recorded in the office of the lieutenant  
26 governor. If the governor determines that the bond of a commission member has  
27 become or is likely to become invalid or insufficient, the governor shall immediately  
28 require the member to renew the member's bond. To be valid, a bond renewed under  
29 this section must be approved by the governor. The governor shall remove a member  
30 of the commission who does not provide the required bond within 30 days after the  
31 member is appointed to the commission or fails to renew the bond required by this

1 subsection within 30 days after the governor requires the renewal. The commission  
 2 may pay the cost of a bond obtained by a member of the commission under this  
 3 chapter.

4 **Sec. 05.18.020. Staff support; personnel.** (a) The commission may hire  
 5 staff to carry out the duties of the commission. A person may not be employed to  
 6 serve the commission if

7 (1) the person or the person's spouse, parent, or child is

8 (A) an official of a licensee engaged in gambling operations or  
 9 charitable gaming in the state; or

10 (B) a person with a financial interest in or a financial  
 11 relationship with a licensee engaged in gambling operations or charitable  
 12 gaming in the state; or

13 (2) the person is a spouse, parent, or child of a commission member.

14 (b) The commission may employ or contract with inspectors and agents  
 15 required to carry out the duties required in this chapter. A licensed owner shall, in the  
 16 manner prescribed by the rules of the commission, reimburse the commission for the  
 17 salaries and other expenses of the inspectors and agents or other commission  
 18 employees and contractors required to be present during the time gambling operations  
 19 are conducted in a gambling facility.

20 **Sec. 05.18.030. Executive director; compensation; duties.** (a) The  
 21 governor shall appoint an executive director of the commission to serve at the pleasure  
 22 of the governor. The executive director is entitled to compensation at an amount to be  
 23 approved annually by the governor.

24 (b) The executive director shall perform the duties assigned to the executive  
 25 director by the commission.

26 (c) The executive director shall devote the executive director's full time to the  
 27 duties of the office and may not hold another office or employment. The executive  
 28 director shall

29 (1) keep records of all proceedings of the commission;

30 (2) preserve all papers, books, documents, and other records belonging  
 31 to or held by the commission;

1 (3) supervise and manage the staff of the commission in accordance  
2 with the policies established by the commission;

3 (4) ensure the financial integrity of all aspects of the operations of the  
4 commission; and

5 (5) perform other duties the commission may from time to time  
6 delegate to the executive director.

7 **Sec. 05.18.040. Meetings; records.** (a) The commission shall meet at least  
8 quarterly.

9 (b) The chair or any member of the commission may call a special meeting. A  
10 special meeting may be held not earlier than 72 hours after written notice has been  
11 sent to each member.

12 (c) Two members of the commission constitute a quorum of the commission.  
13 Two affirmative votes are required for the commission to take official action.

14 (d) The commission shall keep a complete and accurate record of the  
15 commission's meetings. The commission's records shall be available for public  
16 inspection and must accurately reflect all commission proceedings.

17 **Sec. 05.18.050. Annual report.** (a) The commission shall file a written  
18 annual report with the governor and the legislature before March 1 of each year. The  
19 commission shall file any additional reports that the governor requests.

20 (b) The annual report must include a statement describing

21 (1) the receipts and disbursements of the commission;

22 (2) licensing, enforcement, and other actions taken by the commission;

23 (3) any additional information and recommendations that the  
24 commission considers useful or the governor requests.

25 **Sec. 05.18.060. Hearings.** (a) If approved by a majority of the commission, a  
26 commission member or an administrative law judge appointed by the commission may

27 (1) conduct a hearing authorized under this chapter;

28 (2) recommend findings of fact and conclusions of law to the  
29 commission.

30 (b) A member of the commission or administrative law judge conducting a  
31 hearing has all the powers, rights, and duties granted to the commission. When

1 conducting a public hearing, the commission may not limit the number of speakers  
 2 who may testify. However, the commission may set reasonable time limits on the  
 3 length of an individual's testimony or the total amount of time allotted to proponents  
 4 and opponents of an issue before the commission.

5 **Sec. 05.18.070. Administration, regulation, and enforcement.** (a) The  
 6 commission has the following powers and duties for the purpose of administering,  
 7 regulating, and enforcing the gambling operations authorized under this chapter:

8 (1) all powers and duties specified in this chapter and AS 05.15;

9 (2) all powers necessary to execute this chapter and AS 05.15;

10 (3) jurisdiction and supervision over the following:

11 (A) all authorized gambling operations and charitable gaming  
 12 activities in the state;

13 (B) all persons in gambling facilities where gambling  
 14 operations or charitable gaming activities are conducted;

15 (4) the power and duty to investigate and reinvestigate applicants and  
 16 license holders and determine the eligibility of applicants for licenses and to require  
 17 applicants and license holders to reimburse the commission for the costs of the  
 18 investigation and reinvestigation;

19 (5) the power and duty to select from among competing applicants the  
 20 applicants that promote the most economic development and that best serve the  
 21 interests of the citizens of the state;

22 (6) the power and duty to take appropriate administrative enforcement  
 23 or disciplinary action against a licensee under this chapter or a permittee, licensee, or  
 24 registrant under AS 05.15;

25 (7) the power and duty to investigate alleged violations of this chapter;

26 (8) the power and duty to establish fees for the review and  
 27 investigation of applications for the licenses that are authorized under this chapter;

28 (9) the power and duty to adopt appropriate standards for the design,  
 29 appearance, aesthetics, and construction of gaming facilities;

30 (10) the power to conduct hearings;

31 (11) the power to issue subpoenas to compel the attendance of

1 witnesses and subpoenas duces tecum for the production of books, records, and other  
2 relevant documents;

3 (12) the power to administer oaths and affirmations to witnesses;

4 (13) the power and duty to prescribe a form to be used by a licensed  
5 owner as an application for employment by potential employees of the gambling  
6 facility and licensees of the commission;

7 (14) the power to revoke, suspend, or renew licenses issued under this  
8 chapter and permits, licenses, and registrations issued under AS 05.15;

9 (15) the power to hire employees to gather information, conduct  
10 investigations, and carry out other tasks under this chapter;

11 (16) the power to take any appropriate action to enforce this chapter or  
12 AS 05.15, including the issuance of notices of violations of this chapter or AS 05.15 or  
13 regulations of the commission, orders to cease and desist, and closure orders;

14 (17) the power to adopt regulations for the implementation and  
15 enforcement of this chapter and AS 05.15;

16 (18) the power to, through the office of the attorney general, apply to  
17 the courts for injunctive and declaratory relief in aid of any action or decision of the  
18 commission on any matter within the jurisdiction of the commission.

19 (b) The Department of Public Safety and the attorney general shall assist the  
20 commission in conducting background investigations of applicants. The commission  
21 shall reimburse the Department of Public Safety for the costs incurred by the  
22 department as a result of assistance provided to the commission. The commission  
23 shall make the payment from fees collected from applicants for licenses.

24 (c) The commission shall require any person holding an owner's license to  
25 adopt policies concerning the preferential hiring of residents of the state.

26 **Sec. 05.18.080. Violations; fees and taxes; inspections.** (a) The commission  
27 shall

28 (1) provide for the establishment and collection of license fees and  
29 taxes imposed under this chapter and deposit the license fees and taxes in the state  
30 gaming fund under AS 05.18.570;

31 (2) levy and collect penalties for noncriminal violations of this chapter

1 and deposit the penalties in the state gaming fund under AS 05.18.570;

2 (3) be present through the commission's inspectors and agents during  
3 the time gambling operations are conducted in a gambling facility to do the following:

4 (A) certify the revenue received by gambling facilities as a  
5 result of gambling operations;

6 (B) receive complaints from the public;

7 (C) conduct other investigations into the conduct of the  
8 gambling games, the maintenance of the gambling equipment, and the  
9 operation of the gambling facility as the commission considers necessary and  
10 proper.

11 (b) The commission may enter an office, a gambling facility, or other premises  
12 of a person holding an owner's or supplier's license where evidence of compliance or  
13 noncompliance with this chapter is likely to be found.

14 **Sec. 05.18.090. Licensing.** (a) The commission shall adopt standards for the  
15 licensing of

16 (1) persons regulated under this chapter;

17 (2) electronic or mechanical gambling games.

18 (b) The commission shall require that the records, including financial  
19 statements, of a person holding an owner's or supplier's license must be maintained in  
20 the manner prescribed by the commission.

21 (c) The commission may not issue a license to a person who has been  
22 convicted of a felony in this or another jurisdiction.

23 (d) An applicant for a license under this chapter shall provide the following  
24 information to the commission:

25 (1) the name, business address, and business telephone number of the  
26 applicant;

27 (2) an identification of the applicant;

28 (3) the following information for an applicant that is not an individual:

29 (A) the state of incorporation and any states where the  
30 corporation is registered to do business;

31 (B) the names and addresses of all corporate officers;

1 (C) the identity of

2 (i) any entity in which the applicant has an equity  
3 interest of at least one percent; the identification must include the state  
4 of incorporation or registration, if applicable; however, an applicant  
5 that has a pending registration statement filed with the United States  
6 Securities and Exchange Commission is not required to provide  
7 information under this item;

8 (ii) the shareholders or participants of the applicant; an  
9 applicant that has a pending registration statement filed with the United  
10 States Securities and Exchange Commission is required to provide only  
11 the names of persons holding an interest of more than one percent of all  
12 shares;

13 (4) an identification of any business, including the state of  
14 incorporation and all states where the business is registered to do business, if  
15 applicable, in which an applicant or the spouse or children of an applicant has an  
16 equity interest of more than one percent of all shares;

17 (5) if the applicant has been indicted, been convicted, pled guilty or  
18 nolo contendere, or forfeited bail concerning a criminal offense other than a traffic  
19 violation under the laws of any jurisdiction, the applicant must include the following  
20 information under this paragraph:

21 (A) the name and location of the court, the arresting agency,  
22 and the prosecuting agency;

23 (B) the case number;

24 (C) the date and type of offense;

25 (D) the disposition of the charge;

26 (E) the location and length of incarceration, if any;

27 (6) if the applicant has had a license or certificate issued by a licensing  
28 authority in this state or any other jurisdiction denied, restricted, suspended, revoked,  
29 or not renewed, the applicant must provide the following information under this  
30 paragraph:

31 (A) a statement describing the facts and circumstances

1 concerning the denial, restriction, suspension, revocation, or nonrenewal;

2 (B) the date each action described in (A) of this paragraph was  
3 taken;

4 (C) the reason each action described in (A) of this paragraph  
5 was taken;

6 (7) a statement of whether the applicant has filed or had filed against  
7 the applicant a proceeding in bankruptcy or been involved in a formal process to  
8 adjust, defer, suspend, or work out the payment of a debt, including the date of filing,  
9 the name and location of the court, and the case and number of the disposition;

10 (8) a statement of whether the applicant has filed or been served with a  
11 complaint or notice filed with a public body concerning a delinquency in the payment  
12 of or a dispute over a filing concerning the payment of a tax required under federal,  
13 state, or local law, including the amount, type of tax, taxing agency, and times  
14 involved;

15 (9) a statement listing the names and titles of public officials or  
16 officers of units of government and relatives of the public officials or officers who  
17 directly or indirectly have a financial interest in, have a beneficial interest in, are the  
18 creditors of, hold a debt instrument issued by, or have an interest in a contractual or  
19 service relationship with the applicant;

20 (10) if an applicant for an owner's or supplier's license has directly or  
21 indirectly made a political contribution, loan, donation, or other payment to a  
22 candidate or an office holder in this state not more than five years before the date the  
23 applicant filed the application, the applicant shall provide information concerning the  
24 amount, date, and method of the payment;

25 (11) the name and business telephone number of the attorney who will  
26 represent the applicant in matters before the commission;

27 (12) a description of a proposed or an approved gambling facility,  
28 including the following information:

29 (A) the expected economic benefit to local communities;

30 (B) the anticipated or actual number of employees;

31 (C) any statements from the applicant concerning compliance

1 with federal and state affirmative action guidelines;

2 (D) the anticipated or actual number of patrons;

3 (E) the anticipated or actual gross receipts;

4 (13) a description of the product or service to be supplied by the  
5 applicant if the applicant has applied for a supplier's license;

6 (14) the following information from each licensee involved in the  
7 ownership or management of gambling operations:

8 (A) an annual balance sheet;

9 (B) an annual income statement;

10 (C) a list of the stockholders or other persons having at least  
11 one percent beneficial interest in the gambling activities of the person who has  
12 been issued the owner's license;

13 (D) any other information the commission considers necessary  
14 for the effective administration of this chapter.

15 (e) The commission shall review and approve or disapprove promptly and in  
16 reasonable order all license applications.

17 (f) A party aggrieved by an action of the commission denying, suspending,  
18 revoking, restricting, or refusing the renewal of a license may request a hearing before  
19 the commission. A request for a hearing must be made to the commission in writing  
20 not more than 10 days after service of notice of the action of the commission.

21 (g) Except as provided in AS 05.18.140, the commission shall serve notice of  
22 the commission's actions under this section on a party by personal delivery or by  
23 certified mail. Notice served by certified mail is considered complete on the business  
24 day following the date of the mailing.

25 (h) The commission shall conduct all requested hearings under this section  
26 promptly and in reasonable order.

27 **Sec. 05.18.100. Ejection or exclusion from facilities.** (a) The commission  
28 may eject or exclude or authorize the ejection or exclusion of a person from a  
29 gambling facility if

30 (1) the person violates this chapter or a regulation adopted by the  
31 commission; or

1 (2) the commission determines that the person's conduct or reputation  
2 is such that the person's presence within the gambling facility may

3 (A) call into question the honesty and integrity of the gambling  
4 operations; or

5 (B) interfere with the orderly conduct of the gambling  
6 operations.

7 (b) A person may petition the commission for a hearing on the person's  
8 ejection or exclusion from a gambling facility under this section.

9 **Sec. 05.18.110. Violations of chapter; fraudulent acts.** If a licensee or an  
10 employee of a licensee violates this chapter or engages in a fraudulent act, the  
11 commission may

12 (1) suspend, revoke, or restrict the license of a licensee;

13 (2) require the removal of a licensee or an employee of a licensee from  
14 the gambling facility;

15 (3) impose a civil penalty of not more than \$5,000 against an  
16 individual who has been issued an occupational license or a person who has been  
17 issued a supplier's license for each violation of this chapter;

18 (4) impose for each violation of this chapter by a licensed owner a  
19 penalty of not more than the greater of \$10,000 or an amount equal to the licensee's  
20 daily gross receipts for each day of the violation.

21 **Sec. 05.18.120. Investigative procedure; complaints.** (a) The commission  
22 shall review and make a determination on a complaint by a person who has been  
23 issued an owner's license concerning an investigative procedure that the licensee  
24 alleges is unnecessarily disruptive of gambling operations.

25 (b) A licensee filing a complaint under this section must prove by clear and  
26 convincing evidence that the investigative procedure

27 (1) does not have a reasonable law enforcement purpose; and

28 (2) is so disruptive as to unreasonably inhibit gambling operations.

29 (c) For purposes of this section, the need to inspect and investigate a licensee  
30 shall be presumed at all times.

31 **Sec. 05.18.130. Transfer of licenses; rules of procedure; prohibitions.** (a)

1 A licensed owner or another person shall apply for and receive the commission's  
 2 approval before an owner's license is transferred, sold, or, purchased or a voting trust  
 3 agreement or other similar agreement is established with respect to the owner's  
 4 license. A licensed owner or another person may not lease, hypothecate, or borrow or  
 5 loan money against an owner's license.

6 (b) The commission shall adopt regulations governing the procedure a  
 7 licensed owner or another person shall follow to take an action under (a) of this  
 8 section. The regulations must specify that a person who obtains an ownership interest  
 9 in a license shall meet the criteria of this chapter and regulations adopted by the  
 10 commission. A licensed owner may transfer an owner's license only in accordance  
 11 with this chapter and regulations adopted by the commission.

12 **Sec. 05.18.140. Suspension of license without notice or hearing; revocation**  
 13 **of license.** (a) The commission may suspend a license issued to the owner of a  
 14 gambling facility without notice or hearing if the commission determines that the  
 15 safety or health of patrons or employees would be threatened by the continued  
 16 operation of the gambling facility. The opportunity for a hearing shall be provided  
 17 within a reasonable time following a suspension.

18 (b) The suspension of a license under this section may remain in effect until  
 19 the commission determines that the cause for suspension has been abated. The  
 20 commission may revoke the license if the commission determines that the owner has  
 21 not made satisfactory progress toward abating the hazard.

22 **Sec. 05.18.150. Commission records.** (a) Notwithstanding any other law,  
 23 upon written request from a person, the commission shall provide the following  
 24 information to the person:

25 (1) the information provided under this chapter concerning a licensee  
 26 or an applicant;

27 (2) the amount of the adjusted gross receipts tax under AS 05.18.580  
 28 paid daily to the state by a licensed owner;

29 (3) a copy of a letter providing the reasons for the denial of an owner's  
 30 license;

31 (4) a copy of a letter providing the reasons for the commission's refusal

1 to allow an applicant to withdraw the applicant's application.

2 (b) The commission may assess fees for the copying of information provided  
3 by the commission to a person requesting information under (a) of this section.

4 **Sec. 05.18.160. Owner's licenses.** (a) The commission may issue to a person  
5 a license to own and conduct gambling games at a specified gambling facility in any  
6 municipality of the state with a population of at least 150,000 according to the most  
7 recent federal census information. A person may not have more than one owner's  
8 license in effect at any time. Only one owner's license may be issued in a  
9 municipality.

10 (b) A person applying for an owner's license under this chapter shall pay a  
11 nonrefundable application fee to the commission. The commission shall determine the  
12 amount of the application fee.

13 (c) An applicant shall submit the following on forms provided by the  
14 commission:

15 (1) the information required under AS 05.18.090;

16 (2) if the applicant is an individual, two sets of the individual's  
17 fingerprints;

18 (3) if the applicant is not an individual, two sets of fingerprints for  
19 each officer and director of the applicant.

20 (d) The commission shall review an application for an owner's license under  
21 this chapter and inform each applicant of the commission's decision concerning the  
22 issuance of an owner's license.

23 (e) The costs of investigation of an applicant for an owner's license under this  
24 chapter shall be included in the application fee paid by the applicant.

25 (f) An applicant for an owner's license under this chapter shall pay all  
26 additional costs that are associated with the investigation of the applicant that exceed  
27 the portion of the application fee paid by the applicant that is assessed for the  
28 investigation.

29 (g) The commission may not issue an owner's license under this chapter to a  
30 person if the person

31 (1) has been convicted of a felony under the laws of the state, the laws

1 of another state, or laws of the United States;

2 (2) has knowingly or intentionally submitted an application for a  
3 license under this chapter that contains false information;

4 (3) is a member of the commission;

5 (4) is an officer, a director, or a managerial employee of a person  
6 described in (1) or (2) of this subsection; or

7 (5) employs an individual described in (1), (2), or (3) of this subsection  
8 and that individual participates in the management or operation of gambling  
9 operations authorized under this chapter.

10 **Sec. 05.18.170. Factors considered in granting owner's licenses;  
11 submission of design.** (a) In determining whether to grant an owner's license to an  
12 applicant, the commission shall consider

13 (1) the character, reputation, experience, and financial integrity of

14 (A) the applicant;

15 (B) a person that

16 (i) directly or indirectly controls the applicant; or

17 (ii) is directly or indirectly controlled by the applicant

18 or by a person that directly or indirectly controls the applicant;

19 (2) the facilities or proposed facilities for the conduct of gambling;

20 (3) the highest prospective total revenue to be collected by the state  
21 from the conduct of gambling;

22 (4) the good faith affirmative action plan of each applicant to recruit,  
23 train, and upgrade minorities in all employment classifications;

24 (5) the financial ability of the applicant to purchase and maintain  
25 adequate liability and casualty insurance;

26 (6) whether the applicant has adequate capitalization to provide and  
27 maintain the gambling facility for the duration of the license;

28 (7) the extent to which the applicant exceeds or meets other standards  
29 adopted by the commission by regulation.

30 (b) In an application for an owner's license, the applicant must submit to the  
31 commission a proposed design of the gambling facility.

1           **Sec. 05.18.180. Issuance of license; fee; bond.** (a) The commission may  
 2 issue an owner's license to an eligible person if the person pays an initial license fee of  
 3 \$50,000 and posts a bond as required in this section.

4           (b) A licensed owner must post a bond with the commission at least 60 days  
 5 before the commencement of the construction of a gambling facility or the  
 6 commencement of gambling under the license, whichever is earlier. The bond shall be  
 7 furnished in

8                         (1) cash or negotiable securities;

9                         (2) a surety bond with a surety company approved by the commission  
 10 and guaranteed by a satisfactory guarantor; or

11                        (3) an irrevocable letter of credit issued by a banking institution in this  
 12 state that is acceptable to the commission.

13           (c) If a bond is furnished in cash or negotiable securities, the principal shall be  
 14 placed without restriction at the disposal of the commission, but any income earned on  
 15 the principal shall inure to the benefit of the licensee.

16           (d) The bond is subject to the approval of the commission and must be payable  
 17 to the commission for use by the commission in satisfaction of the licensed owner's  
 18 financial obligations to the local community, the state, and other parties, as determined  
 19 by regulations of the commission.

20           (e) If, following a hearing held after at least five days written notice, the  
 21 commission determines that the amount of a licensed owner's bond is insufficient, the  
 22 licensed owner shall, upon written demand of the commission, file a new bond.

23           (f) The commission may require a licensed owner to file a new bond with a  
 24 satisfactory surety in the same form and amount if

25                         (1) liability on the old bond is discharged or reduced by judgment  
 26 rendered, payment made, or otherwise; or

27                         (2) in the opinion of the commission, a surety on the old bond becomes  
 28 unsatisfactory.

29           (g) If a new bond obtained under (e) or (f) of this section is unsatisfactory, the  
 30 commission shall cancel the owner's license. If the new bond is satisfactorily  
 31 furnished, the commission shall release, in writing, the surety on the old bond from

1 any liability accruing after the effective date of the new bond.

2 (h) A bond is released on the condition that the licensed owner remains at the  
3 site for which the owner's license is granted for the lesser of five years from the  
4 effective date of the owner's license or the date on which the commission grants a  
5 license to another licensed owner to operate from the site for which the bond was  
6 posted.

7 (i) A licensed owner who does not meet the requirements of (h) of this section  
8 forfeits a bond filed under this section. The proceeds of a bond that is in default under  
9 this subsection are paid to the commission for the benefit of the local unit of  
10 government from which the gambling facility is operated.

11 (j) The total and aggregate liability of the surety on a bond is limited to the  
12 amount specified in the bond, and the continuous nature of the bond may not be  
13 construed as allowing the liability of the surety under a bond to accumulate for each  
14 successive approval period during which the bond is in force.

15 (k) A bond filed under this section is released 60 days after the time has run  
16 under (h) of this section and a written request for release is submitted by the licensed  
17 owner.

18 **Sec. 05.18.190. Term of a license.** An owner's initial license expires five  
19 years after the effective date of the license and may be renewed for additional five-  
20 year periods under AS 05.18.210.

21 **Sec. 05.18.200. Revocation of owner's license for delay.** The commission  
22 may revoke an owner's license if

23 (1) the licensee begins regular operations more than 12 months after  
24 receiving the commission's approval of the application for the license; and

25 (2) the commission determines that the revocation of the license is in  
26 the best interests of the state.

27 **Sec. 05.18.210. Renewal of owner's license; compliance investigations.** (a)  
28 Unless the commission determines that a licensed owner does not qualify to hold a  
29 license under the terms of this chapter, the owner's license shall be renewed for an  
30 additional five-year period upon the payment of a \$50,000 renewal fee.

31 (b) A licensed owner shall undergo a complete investigation by the

1 commission every five years to determine whether the licensed owner remains in  
2 compliance with this chapter.

3 (c) Notwithstanding (b) of this section, the commission may investigate a  
4 licensed owner at any time the commission determines necessary to ensure that the  
5 licensee remains in compliance with this chapter.

6 (d) The licensed owner shall bear the cost of an investigation or  
7 reinvestigation of the licensed owner and an investigation resulting from a potential  
8 transfer of ownership.

9 **Sec. 05.18.220. Other licenses.** A licensed owner may apply to the  
10 commission for and may hold licenses that are necessary for the operation of a  
11 gambling facility, including a license to prepare and serve food for human  
12 consumption, and any other necessary license.

13 **Sec. 05.18.230. Gambling equipment, devices, and supplies.** A licensed  
14 owner may own gambling equipment, devices, and supplies. A licensed owner shall  
15 file an annual report listing the licensed owner's inventories of gambling equipment,  
16 devices, and supplies.

17 **Sec. 05.18.240. Schools for training occupational licensees.** This chapter  
18 does not prohibit a licensed owner from operating a school for the training of  
19 occupational licensees.

20 **Sec. 05.18.250. Nature of license.** An owner's license is a revocable privilege  
21 granted by the state and is not a property right.

22 **Sec. 05.18.260. Supplier's license; requirements.** (a) The commission may  
23 issue a supplier's license under this chapter to a person if the commission determines  
24 that the person is eligible for a supplier's license and the person has

25 (1) applied for the supplier's license and provided the information  
26 required under AS 05.18.090;

27 (2) paid a nonrefundable application fee set by the commission;

28 (3) paid a annual license fee set by the commission; and

29 (4) submitted the following on forms provided by the commission:

30 (A) if the applicant is an individual, two sets of the individual's  
31 fingerprints; and

1 (B) if the applicant is not an individual, two sets of fingerprints  
2 for each officer and director of the applicant.

3 **Sec. 05.18.270. Gambling equipment and supplies; distribution.** (a) A  
4 person holding a supplier's license may sell, lease, and contract to sell or lease  
5 gambling equipment and supplies to a licensee involved in the ownership or  
6 management of a gambling facility.

7 (b) Gambling supplies and equipment may not be distributed unless the  
8 gambling supplies and equipment conform to standards adopted by the commission.

9 **Sec. 05.18.280. Restrictions on issuance of supplier's license.** A person may  
10 not receive a supplier's license if

11 (1) the person has been convicted of a felony under the laws of this  
12 state, the laws of another state, or the laws of the United States;

13 (2) the person has knowingly or intentionally submitted an application  
14 for a license under this chapter that contains false information;

15 (3) the person is a member of the commission;

16 (4) the person is an officer, a director, or a managerial employee of a  
17 person described in (1) or (2) of this section;

18 (5) the commission determines that the person does not have the  
19 character reputation, experience, and financial integrity necessary for a licensee;

20 (6) the person employs an individual described in (1), (2), or (3) of this  
21 section and that individual participates in the management or operation of gambling  
22 operations authorized under this chapter.

23 **Sec. 05.18.290. Necessity of supplier's license; exception.** (a) Except as  
24 provided in (b) of this section, a person may not furnish gambling equipment, devices,  
25 or supplies to a gambling operation unless the person possesses a supplier's license.

26 (b) A person holding a valid license to deal in alcoholic beverages may supply  
27 alcoholic beverages to a gambling operation without possessing a supplier's license.

28 **Sec. 05.18.300. Sale or lease of equipment, devices, and supplies;  
29 information furnished to commission.** (a) A supplier shall furnish to the  
30 commission a list of all equipment, devices, and supplies offered for sale or lease in  
31 connection with gambling games authorized under this chapter.

1 (b) A supplier shall keep books and records for the furnishing of equipment,  
2 devices, and supplies to gambling operations separate from books and records of any  
3 other business operated by the supplier.

4 (c) A supplier shall file a quarterly return with the commission listing all sales  
5 and leases.

6 (d) A supplier shall permanently affix the supplier's name to all of the  
7 supplier's equipment, devices, and supplies for gambling operations.

8 **Sec. 05.18.310. Forfeiture of equipment, devices, or supplies.** A supplier's  
9 equipment, devices, or supplies that are used by a person in an unauthorized gambling  
10 operation shall be forfeited to the state.

11 **Sec. 05.18.320. Repair of equipment, devices, and supplies.** Gambling  
12 equipment, devices, and supplies that are provided by a supplier may be repaired in  
13 the gambling facility or removed for repair from the gambling facility to a facility  
14 owned by a licensed supplier.

15 **Sec. 05.18.330. Renewal of supplier's license; compliance investigations.**  
16 (a) Unless a supplier's license is suspended, expires, or is revoked, the supplier's  
17 license may be renewed upon the payment of a renewal fee in an amount established  
18 by the commission and a determination by the commission that the licensee is in  
19 compliance with this chapter.

20 (b) A licensed supplier shall undergo a complete investigation by the  
21 commission every five years to determine whether the licensee is in compliance with  
22 this chapter.

23 (c) Notwithstanding (b) of this section, the commission may investigate a  
24 licensed supplier at any time the commission determines necessary to ensure that the  
25 licensee is in compliance with this chapter.

26 (d) A licensed supplier shall bear the cost of an investigation or reinvestigation  
27 of the licensee and an investigation resulting from a potential transfer of ownership.

28 **Sec. 05.18.340. Occupations requiring license.** The commission shall  
29 determine the occupations related to gambling that require a license under this chapter.  
30 The commission shall require that an individual applying for an occupational license

31 (1) to manage gambling operations under this chapter is subject to

1 background inquiries and requirements similar to those required for an applicant for an  
2 owner's license under this chapter; and

3 (2) may manage gambling operations for only one licensed owner.

4 **Sec. 05.18.350. Occupational license; requirements; fees; duration;  
5 renewal; compliance investigations.** (a) The commission may issue an occupational  
6 license to an individual if

7 (1) the individual has applied for the occupational license and provided  
8 the information required under AS 05.18.090;

9 (2) a nonrefundable application fee set by the commission has been  
10 paid on behalf of the applicant in accordance with (b) of this section;

11 (3) the commission has determined that the applicant is eligible for an  
12 occupational license; and

13 (4) an annual license fee set by the commission has been paid on  
14 behalf of the applicant in accordance with (b) of this section.

15 (b) A licensed owner, an applicant for an owner's license, or a licensed  
16 supplier shall pay the application fee of an individual applying for an occupational  
17 license to work at the licensed owner's gambling operation or for the licensed supplier.  
18 The licensed owner, applicant for an owner's license, or licensed supplier shall pay the  
19 annual occupational license fee on behalf of an employee or potential employee. The  
20 licensed owner, applicant for an owner's license, or licensed supplier may seek  
21 reimbursement of the application fee or annual license fee from an employee who is  
22 issued an occupational license by the commission.

23 (c) A license issued under this section is valid for one year after the date of  
24 issuance.

25 (d) Unless an occupational license is suspended, expires, or is revoked by the  
26 commission, the occupational license may be renewed annually upon the payment of  
27 an annual license fee by the licensed owner or licensed supplier on behalf of the  
28 licensee, or by the licensee in an amount established by the commission and a  
29 determination by the commission that the licensee is in compliance with this chapter.

30 (e) The commission may investigate the holder of an occupational license at  
31 any time the commission determines necessary to ensure that the licensee is in

1 compliance with this chapter.

2 (f) A licensed owner, an applicant for an owner's license, or a licensed  
3 supplier shall pay the cost of an investigation or reinvestigation by the commission of  
4 a holder of an occupational license who is employed by the licensed owner or licensed  
5 supplier. The licensed owner, applicant for an owner's license, or licensed supplier  
6 may seek reimbursement of the cost of an investigation or reinvestigation from an  
7 employee who holds an occupational license.

8 **Sec. 05.18.360. Qualifications for occupational license.** The commission  
9 may not issue an occupational license to an individual unless the individual

10 (1) is at least 18 years of age;

11 (2) has not been convicted of a felony under the laws of this state, the  
12 laws of another state, or the laws of the United States;

13 (3) has demonstrated a level of skill or knowledge that the commission  
14 determines is necessary to operate gambling games; and

15 (4) has met standards of character and fitness adopted by the  
16 commission for the holding of an occupational license.

17 **Sec. 05.18.370. Application for occupational license.** (a) An application for  
18 an occupational license shall be made on forms prescribed by the commission and  
19 contain all information required by the commission.

20 (b) An applicant for an occupational license shall provide the following  
21 information in the application:

22 (1) a statement of whether the applicant has held any other licenses  
23 related to gambling;

24 (2) if the applicant has been licensed in another state under any other  
25 name, the name under which the applicant was licensed in the other state;

26 (3) the applicant's age;

27 (4) if a permit or license issued to the applicant in another state has  
28 been suspended, restricted, or revoked, the date, duration, and nature of the  
29 suspension, restriction, or revocation.

30 (c) An applicant for an occupational license shall submit with the application  
31 two sets of the applicant's fingerprints. The applicant must submit the fingerprints on

1 forms provided by the commission. The commission shall charge each applicant the  
 2 fee set by the Department of Public Safety for state and national fingerprint record  
 3 searches.

4 **Sec. 05.18.380. Restrictions on issuance of occupational license.** The  
 5 commission may refuse to issue an occupational license to an individual who

- 6 (1) is unqualified to perform the duties required of the applicant;
- 7 (2) does not disclose or states falsely any information required by the  
 8 application;
- 9 (3) has been found guilty of a violation of this chapter;
- 10 (4) has had a gambling-related license or an application for a  
 11 gambling-related license suspended, restricted, revoked, or denied for just cause in  
 12 another state; or
- 13 (5) has not met standards of character and fitness adopted by the  
 14 commission for the holding of an occupational license.

15 **Sec. 05.18.390. Suspension, revocation, or restriction of licenses.** The  
 16 commission may suspend, revoke, or restrict an occupational licensee for

- 17 (1) a violation of this chapter;
- 18 (2) a cause that, if known to the commission, would have disqualified  
 19 the applicant from receiving the occupational license;
- 20 (3) a default in the payment of an obligation or a debt due to the state;
- 21 or
- 22 (4) any other just cause.

23 **Sec. 05.18.400. Schools for training occupational licensees.** (a) This  
 24 chapter does not prohibit a licensed owner from entering into an agreement with a  
 25 school approved by the commission for the training of an occupational licensee.

26 (b) Training offered by a school described in (a) of this section must be in  
 27 accordance with a written agreement between the licensed owner and the school and  
 28 approved by the commission.

29 **Sec. 05.18.410. Training locations.** Training provided for occupational  
 30 licensees may be conducted in a gambling facility or at a school with which a licensed  
 31 owner has entered into an agreement under this chapter.

1           **Sec. 05.18.420. Convicted felons; rehabilitation; waiver.** (a) An individual  
 2 applying for an occupational license who is disqualified under AS 05.18.360 due to a  
 3 conviction for a felony may apply to the commission for a waiver of that  
 4 disqualification, and the commission may issue a license to the person if the  
 5 commission determines that the individual has demonstrated by clear and convincing  
 6 evidence the individual's rehabilitation.

7           (b) In determining whether the individual applying for the occupational  
 8 license has demonstrated rehabilitation under (a) of this section, the commission shall  
 9 consider

10                         (1) the nature and duties of the position for which the individual has  
 11 applied;

12                         (2) the nature and seriousness of the offense or conduct;

13                         (3) the circumstances under which the offense or conduct occurred;

14                         (4) the date of the offense or conduct;

15                         (5) the age of the individual when the offense or conduct was  
 16 committed;

17                         (6) whether the offense or conduct was an isolated or a repeated  
 18 incident;

19                         (7) a social condition that may have contributed to the offense or  
 20 conduct;

21                         (8) evidence of rehabilitation, including good conduct in prison or in  
 22 the community, counseling or psychiatric treatment received, acquisition of additional  
 23 academic or vocational education, successful participation in a correctional work  
 24 release program, or the recommendation of a person who supervises or has supervised  
 25 the individual;

26                         (9) the complete criminal record of the individual;

27                         (10) the prospective employer's written statement that

28                                 (A) the employer has been advised of all of the facts and  
 29 circumstances of the individual's criminal record; and

30                                 (B) after having considered the facts and circumstances, the  
 31 prospective employer will hire the individual if the commission grants a waiver

1 of the requirements of this chapter.

2 (d) The commission may not waive the requirements of this chapter for an  
3 individual who has been convicted of committing any of the following:

4 (1) a felony in violation of federal law, as classified in 18 U.S.C. 3559;

5 (2) a felony of fraud, deceit, or misrepresentation under the laws of this  
6 state or another jurisdiction;

7 (3) a felony of conspiracy to commit a felony of fraud, deceit, or  
8 misrepresentation under the laws of this state or another jurisdiction; or

9 (4) a felony related to gambling under the laws of this state or a crime  
10 in another jurisdiction in which the elements of the crime for which the conviction was  
11 entered are substantially similar to the elements of a felony related to gambling under  
12 the laws of this state.

13 **Sec. 05.18.430. Gambling permitted in gambling facilities.** Gambling  
14 operations shall only be conducted by a licensed owner in a gambling facility.

15 **Sec. 05.18.440. Minimum and maximum wagers.** Minimum and maximum  
16 wagers on gambling games shall be determined by the commission.

17 **Sec. 05.18.450. Inspection of gambling facilities.** The following persons may  
18 inspect a gambling facility at any time to determine if this chapter is being violated:

19 (1) employees of the commission;

20 (2) officers of the Department of Public Safety.

21 **Sec. 05.18.460. Presence of commission employees in gambling facilities.**  
22 Employees of the commission have the right to be present in a gambling facility or any  
23 adjacent facilities under the control of a licensed owner.

24 **Sec. 05.18.470. Gambling equipment and supplies; purchase or lease.**  
25 Gambling equipment and supplies customarily used in conducting gambling  
26 operations may be purchased or leased only from suppliers licensed under this chapter.

27 **Sec. 05.18.480. Permitted forms of wagering.** A licensed owner may not  
28 permit any form of wagering on gambling games except as permitted under this  
29 chapter.

30 **Sec. 05.18.490. Presence required for wagering.** Wagers may be received  
31 only from a person present in a licensed gambling facility. A person present in a

1 gambling facility may not place or attempt to place a wager on behalf of another  
2 person who is not present in the gambling facility.

3 **Sec. 05.18.500. Wagering prohibited with negotiable currency.** Wagering  
4 may not be conducted with money or other negotiable currency.

5 **Sec. 05.18.510. Persons under 21 years of age; presence in gambling area.**  
6 (a) Except as provided in (b) of this section, a person who is under 21 years of age  
7 may not be present in the area where gambling is being conducted in a gambling  
8 facility.

9 (b) A person who is at least 18 years of age and who is an employee of the  
10 gambling facility may be present in an area where gambling is conducted. However,  
11 an employee who is under 21 years of age may not perform a function involving  
12 gambling by the patrons or the sale and distribution of alcoholic beverages.

13 **Sec. 05.18.520. Persons under 21 years of age; wagering prohibited.** A  
14 person who is under 21 years of age may not make a wager under this chapter.

15 **Sec. 05.18.530. Tokens, chips, or electronic cards; purchase.** (a) All tokens,  
16 chips, or electronic cards that are used to make wagers must be purchased from the  
17 owner of the gambling facility while in the gambling facility or at a facility that is  
18 adjacent to the gambling facility and has been approved by the commission.

19 (b) The tokens, chips, or electronic cards may be purchased by means of an  
20 agreement under which the licensed owner extends credit to the patron.

21 **Sec. 05.18.540. Crimes.** (a) A person commits a class A misdemeanor if the  
22 person knowingly

23 (1) makes a false statement on an application submitted under this  
24 chapter;

25 (2) operates a gambling operation in which wagering is conducted or is  
26 to be conducted in a manner other than the manner required under this chapter;

27 (3) permits a person under 21 years of age to make a wager;

28 (4) aids, induces, or causes a person under 21 years of age who is not  
29 an employee of the gambling facility to enter or attempt to enter the gambling facility;

30 (5) wagers or accepts a wager at a location other than a gambling  
31 facility owned by a licensed owner;

1 (6) makes a false statement on an application submitted to the  
2 commission under this chapter; or

3 (7) enters or attempts to enter a gambling facility and is not an  
4 employee of the gambling operation and is under 21 years of age.

5 (b) A person commits a class C felony if the person knowingly

6 (1) offers, promises, or gives anything of value or benefit

7 (A) to a person who is connected with the owner of a gambling  
8 facility, including an officer or an employee of a licensed owner or holder of  
9 an occupational license; and

10 (B) under an agreement to influence or with the intent to  
11 influence

12 (i) the actions of the person to whom the offer, promise,  
13 or gift was made in order to affect or attempt to affect the outcome of a  
14 gambling game; or

15 (ii) an official action of a member of the commission;

16 (2) solicits, accepts, or receives a promise of anything of value or  
17 benefit

18 (A) while the person is connected with a gambling facility,  
19 including an officer or employee of a licensed owner or a holder of an  
20 occupational license; and

21 (B) under an agreement to influence or with the intent to  
22 influence the actions of the person to affect or attempt to affect the outcome of  
23 a gambling game or an official action of a commission member;

24 (3) uses, or possesses with the intent to use, a device to assist in

25 (A) projecting the outcome of a game;

26 (B) keeping track of the cards played;

27 (C) analyzing the probability of the occurrence of an event  
28 relating to a gambling game; or

29 (D) analyzing the strategy for playing or betting to be used in a  
30 game, except as permitted by the commission;

31 (4) cheats at a gambling game;

1 (5) manufactures, sells, or distributes any cards, chips, dice, game, or  
2 device that is intended to be used to violate this chapter;

3 (6) alters or misrepresents the outcome of a gambling game on which  
4 wagers have been made after the outcome is made sure but before the outcome is  
5 revealed to the players;

6 (7) places a bet on the outcome of a gambling game after acquiring  
7 knowledge that is not available to all players and that concerns the outcome of the  
8 gambling game that is the subject of the bet;

9 (8) aids a person in acquiring the knowledge described in (7) of this  
10 subsection for the purpose of placing a bet contingent on the outcome of a gambling  
11 game;

12 (9) claims, collects, takes, or attempts to claim, collect, or take money  
13 or anything of value in or from a gambling game with the intent to defraud or without  
14 having made a wager contingent on winning a gambling game;

15 (10) claims, collects, or takes an amount of money or thing of value of  
16 greater value than the amount won in a gambling game;

17 (11) uses or possesses counterfeit chips or tokens in or for use in a  
18 gambling game;

19 (12) possesses a key or device designed for opening, entering, or  
20 affecting the operation of a gambling game, a drop box, or an electronic or mechanical  
21 device connected with the gambling game or removing coins, tokens, chips, or other  
22 contents of a gambling game; this paragraph does not apply to a licensee or an  
23 employee of a licensee acting in the course of the employee's employment;

24 (13) possesses materials used to manufacture a slug or device intended  
25 to be used in a manner that violates this chapter.

26 **Sec. 05.18.550. Possession of cheating devices; presumption.** The  
27 possession of more than one of the devices described in AS 05.18.540(b) as cheating  
28 devices creates a rebuttable presumption that the possessor intended to use the devices  
29 for cheating.

30 **Sec. 05.18.560. Convicted felons; entering gambling facilities prohibited.**  
31 A person who is convicted of a felony described in AS 05.18.540(b) is barred for life

1 from entering a gambling facility in this state.

2 **Sec. 05.18.570. State gaming fund.** There is created in the general fund the  
3 state gaming fund. The state gaming fund consists of all revenue received from  
4 gambling activities under AS 05.18 and all other money credited or transferred to the  
5 fund from another fund or source.

6 **Sec. 05.18.580. Adjusted gross receipts tax; rate; payment.** (a) A tax is  
7 imposed on the adjusted gross receipts received from gambling games authorized  
8 under this chapter at the rate of 17 percent of the amount of the adjusted gross receipts.

9 (b) The licensed owner shall remit the tax imposed by this section to the  
10 department before the close of the business day following the day the wagers are  
11 made.

12 (c) The department may require payment under this section to be made by  
13 electronic funds transfer.

14 (d) If the department requires taxes to be remitted under this section by  
15 electronic funds transfer, the department may allow the licensed owner to file a  
16 monthly report to reconcile the amounts remitted to the department.

17 (e) A municipality in which a gambling facility is located may not tax the  
18 adjusted gross receipts received from gambling games authorized under this chapter at  
19 a rate of more than three percent of the amount of the adjusted gross receipts. This  
20 subsection applies to home rule and general law municipalities.

21 **Sec. 05.18.900. Definitions.** In this chapter,

22 (1) "adjusted gross receipts" means the total of all cash and property,  
23 including checks received by a licensee, whether collected or not, received by a  
24 licensee from gambling operations, minus the total of all cash paid out as winnings to  
25 patrons and uncollectible gaming receivables, not to exceed the lesser of a reasonable  
26 protection for uncollectible patron checks received from gambling operations or two  
27 percent of the total of all sums, including checks, whether collected or not, less the  
28 amount paid out as winnings to patrons; for purposes of this paragraph, a counter or  
29 personal check that is invalid or unenforceable under this chapter is considered cash  
30 received by the licensee from gambling operations;

31 (2) "cheat" means to alter the selection of criteria that determine the

1 result of a gambling game or the amount or frequency of payment in a gambling game;

2 (3) "commission" means the Alaska Gaming Commission established  
3 by AS 05.18.010;

4 (4) "department" means the Department of Revenue;

5 (5) "gambling facility" means a structure in which lawful gambling is  
6 conducted by a licensed owner;

7 (6) "gambling game" includes any of the following if approved by the  
8 commission: baccarat, twenty-one, poker, craps, slot machines, video games of  
9 chance, roulette, Klondike table, punchboard, faro layout, keno layout, numbers ticket,  
10 push card, jar ticket, pull tab, big six;

11 (7) "gambling operation" means the conduct of authorized gambling  
12 games in a licensed gambling facility;

13 (8) "gross receipts" means the total amount of money exchanged for  
14 the purchase of chips, tokens, or electronic cards by gambling facility patrons;

15 (9) "intentionally" has the meaning given in AS 11.81.900;

16 (10) "knowingly" has the meaning given in AS 11.81.900;

17 (11) "license" means a license issued by the commission under this  
18 chapter;

19 (12) "licensed owner" means a person that owns a gambling facility  
20 who is licensed under this chapter;

21 (13) "licensee" means a person holding a license issued under this  
22 chapter;

23 (14) "owner's license" means a license issued under this chapter that  
24 allows a person to own and operate a gambling facility;

25 (15) "supplier's license" means a license issued under this chapter that  
26 allows a person to supply gambling paraphernalia and equipment to a licensed owner.

27 \* **Sec. 6.** AS 11.66.280(2) is amended to read:

28 (2) "gambling" means that a person stakes or risks something of value  
29 upon the outcome of a contest of chance or a future contingent event not under the  
30 person's control or influence, upon an agreement or understanding that that person or  
31 someone else will receive something of value in the event of a certain outcome;

1 "gambling" does not include

2 (A) bona fide business transactions valid under the law of  
3 contracts for the purchase or sale at a future date of securities or commodities  
4 and agreements to compensate for loss caused by the happening of chance,  
5 including contracts of indemnity or guaranty and life, health, or accident  
6 insurance;

7 (B) playing an amusement device that

8 (i) confers only an immediate right of replay not  
9 exchangeable for something of value other than the privilege of  
10 immediate replay; and

11 (ii) does not contain a method or device by which the  
12 privilege of immediate replay may be cancelled or revoked; or

13 (C) an activity authorized by the **Alaska Gaming Commission**  
14 [DEPARTMENT OF REVENUE] under AS 05.15 **or AS 05.18**;

15 \* **Sec. 7.** AS 18.65.080 is amended by adding a new subsection to read:

16 (b) The Department of Public Safety shall investigate and ascertain whether a  
17 person appointed by the governor to serve as a member of the Alaska Gaming  
18 Commission has been convicted of a crime set out in AS 05.18.010(g).

19 \* **Sec. 8.** AS 39.25.110(11) is amended to read:

20 (11) the officers and employees of the following boards, commissions,  
21 and authorities:

22 (A) [REPEALED

23 (B)] Alaska Permanent Fund Corporation;

24 **(B)** [(C)] Alaska Industrial Development and Export Authority;

25 **(C)** [(D)] Alaska Commercial Fisheries Entry Commission;

26 **(D)** [(E)] Alaska Commission on Postsecondary Education;

27 **(E)** [(F)] Alaska Aerospace Development Corporation;

28 **(F)** [(G)] Alaska Natural Gas Development Authority;

29 **(G) Alaska Gaming Commission;**

30 \* **Sec. 9.** AS 39.50.200(b) is amended by adding a new paragraph to read:

31 (58) Alaska Gaming Commission (AS 05.18).

1     \* **Sec. 10.** AS 05.15.690(9) is repealed.

2     \* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to  
3 read:

4           REVISOR INSTRUCTION. The revisor of statutes is instructed to change references  
5 to the "commissioner" and "department" in AS 05.15 to "commission" unless it is clear from  
6 the context that "commissioner" refers to a commissioner other than the commissioner of  
7 revenue and "department" refers to a department other than the Department of Revenue.