

CS FOR HOUSE BILL NO. 552(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 5/3/04

Offered: 4/22/04

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the creation of the Alaska Gaming Commission to regulate**
2 **gambling; authorizing the Alaska Gaming Commission to license gambling games and**
3 **gambling casino owners and suppliers and to issue occupational licenses for gambling**
4 **employees; limiting casino gambling to municipalities with a population of 150,000 or**
5 **more; allowing the Alaska Gaming Commission to issue only one owner's license for a**
6 **gambling casino in certain municipalities with a population of 150,000 or more; creating**
7 **crimes relating to gambling and setting requirements for gambling; creating the state**
8 **gaming fund in the general fund; setting a gross receipts tax on gambling games;**
9 **limiting the authority of a municipality to tax the adjusted gross receipts of gambling**
10 **games."**

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

12 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section

1 to read:

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

5 (1) comprehensive law enforcement supervision; and

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

8 * **Sec. 2.** AS 05 is amended by adding a new chapter to read:

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

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

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

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

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

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

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

24 (B) conducts a hearing under this chapter;

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

27 (e) A person may not be appointed to the commission or continue to be a
28 member of the commission if the person or the person's spouse, child, or parent is a
29 member of the board of directors of or financially interested in a gambling operation
30 subject to the jurisdiction of the commission under this chapter or a permittee,
31 licensee, or registrant under AS 05.15.

1 (f) A member of the commission may not be a public officer of the state
 2 except by the member's service on the commission. In this subsection, "public officer"
 3 has the meaning given in AS 39.52.960.

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

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

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

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

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

15 (1) neglect of duty, including lack of attendance at meetings of the
 16 commission; the failure of a member to attend at least 50 percent of the meetings in
 17 any 12-month period is prima facie evidence of neglect of duty under this paragraph;

18 (2) misfeasance, which is the improper performance of an act within
 19 the power of the member or the commission;

20 (3) malfeasance, which is the performance of an act not within the
 21 power of the member or the commission;

22 (4) nonfeasance, which is the failure to perform an act within the
 23 power of the member or the commission that should be performed;

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

26 (i) Each member of the commission shall, before beginning the discharge of
 27 the duties of the member's office, provide a bond to the state that is in the amount of
 28 \$25,000, is approved by the governor, and is recorded in the office of the lieutenant
 29 governor. If the governor determines that the bond of a commission member has
 30 become or is likely to become invalid or insufficient, the governor shall immediately
 31 require the member to renew the member's bond. To be valid, a bond renewed under

1 this section must be approved by the governor. The governor shall remove a member
 2 of the commission who does not provide the required bond within 30 days after the
 3 member is appointed to the commission or fails to renew the bond required by this
 4 subsection within 30 days after the governor requires the renewal. The commission
 5 may pay the cost of a bond obtained by a member of the commission under this
 6 chapter.

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

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

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

13 (B) a person with a financial interest in or a financial
 14 relationship with a licensee engaged in gambling operations or charitable
 15 gaming in the state; or

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

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

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

27 (b) The executive director shall perform the duties assigned to the executive
 28 director by the commission.

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

- 1 (1) keep records of all proceedings of the commission;
- 2 (2) preserve all papers, books, documents, and other records belonging
3 to or held by the commission;
- 4 (3) supervise and manage the staff of the commission in accordance
5 with the policies established by the commission;
- 6 (4) ensure the financial integrity of all aspects of the operations of the
7 commission; and
- 8 (5) perform other duties the commission may from time to time
9 delegate to the executive director.

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

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

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

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

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

23 (b) The annual report must include a statement describing
24 (1) the receipts and disbursements of the commission;
25 (2) licensing, enforcement, and other actions taken by the commission;
26 (3) any additional information and recommendations that the
27 commission considers useful or the governor requests.

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

- 30 (1) conduct a hearing authorized under this chapter;
31 (2) recommend findings of fact and conclusions of law to the

1 commission.

2 (b) A member of the commission or administrative law judge conducting a
3 hearing has all the powers, rights, and duties granted to the commission. When
4 conducting a public hearing, the commission may not limit the number of speakers
5 who may testify. However, the commission may set reasonable time limits on the
6 length of an individual's testimony or the total amount of time allotted to proponents
7 and opponents of an issue before the commission.

8 (c) A person may seek judicial review of a final administrative order of the
9 commission in the manner provided in AS 44.62.560 and 44.62.570.

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

13 (1) all powers and duties specified in this chapter;

14 (2) all powers necessary to execute this chapter;

15 (3) jurisdiction and supervision over the following:

16 (A) all authorized gambling operations in the state;

17 (B) all persons in gambling facilities where gambling
18 operations are conducted;

19 (4) the power and duty to investigate and reinvestigate applicants and
20 license holders and determine the eligibility of applicants for licenses and to require
21 applicants and license holders to reimburse the commission for the costs of the
22 investigation and reinvestigation;

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

26 (6) the power and duty to take appropriate administrative enforcement
27 or disciplinary action against a licensee under this chapter;

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

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

31 (9) the power and duty to adopt appropriate standards for the design,

1 appearance, aesthetics, and construction of gaming facilities;

2 (10) the power to conduct hearings;

3 (11) the power to issue subpoenas to compel the attendance of
4 witnesses and subpoenas duces tecum for the production of books, records, and other
5 relevant documents;

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

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

10 (14) the power to revoke, suspend, or renew licenses issued under this
11 chapter;

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

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

17 (17) the power to adopt regulations for the implementation and
18 enforcement of this chapter;

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

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

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

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

31 (1) provide for the establishment and collection of license fees and

1 taxes imposed under this chapter and deposit the license fees and taxes in the state
2 gaming fund under AS 05.18.570;

3 (2) levy and collect penalties for noncriminal violations of this chapter
4 and deposit the penalties in the state gaming fund under AS 05.18.570;

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

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

9 (B) receive complaints from the public;

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

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

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

19 (1) persons regulated under this chapter;

20 (2) electronic or mechanical gambling games.

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

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

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

28 (1) the name, business address, and business telephone number of the
29 applicant;

30 (2) an identification of the applicant;

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

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

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

4 (C) the identity of

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

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

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

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

24 (A) the name and location of the court, the arresting agency,
25 and the prosecuting agency;

26 (B) the case number;

27 (C) the date and type of offense;

28 (D) the disposition of the charge;

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

30 (6) if the applicant has had a license or certificate issued by a licensing
31 authority in this state or any other jurisdiction denied, restricted, suspended, revoked,

1 or not renewed, the applicant must provide the following information under this
2 paragraph:

3 (A) a statement describing the facts and circumstances
4 concerning the denial, restriction, suspension, revocation, or nonrenewal;

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

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

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

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

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

23 (10) the name and business telephone number of the attorney who will
24 represent the applicant in matters before the commission;

25 (11) a description of a proposed or an approved gambling facility,
26 including the following information:

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

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

29 (C) any statements from the applicant concerning compliance
30 with federal and state affirmative action guidelines;

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

1 (E) the anticipated or actual gross receipts;

2 (12) a description of the product or service to be supplied by the
3 applicant if the applicant has applied for a supplier's license;

4 (13) the following information from each licensee involved in the
5 ownership or management of gambling operations:

6 (A) an annual balance sheet;

7 (B) an annual income statement;

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

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

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

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

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

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

25 (i) The commission shall require an applicant for a license to submit
26 fingerprints and the fees required by the Department of Public Safety for criminal
27 justice information and a national criminal history record check. The commission
28 shall forward the fingerprints and fees to the Department of Public Safety for a report
29 of criminal justice information under AS 12.62 and a national criminal history record
30 check and shall use the results to evaluate applicants.

31 **Sec. 05.18.100. Ejection or exclusion from facilities.** (a) The commission

1 may eject or exclude or authorize the ejection or exclusion of a person from a
2 gambling facility if

3 (1) the person violates this chapter or a regulation adopted by the
4 commission; or

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

7 (A) call into question the honesty and integrity of the gambling
8 operations; or

9 (B) interfere with the orderly conduct of the gambling
10 operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (2) the amount of the adjusted gross receipts tax under AS 05.18.580

1 paid daily to the state by a licensed owner;

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

4 (4) a copy of a letter providing the reasons for the commission's refusal
5 to allow an applicant to withdraw the applicant's application.

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

8 **Sec. 05.18.160. Owner's licenses.** (a) The commission may issue to a person
9 a license to own and conduct gambling games at a specified gambling facility in any
10 municipality of the state with a population of at least 150,000 according to the most
11 recent federal census information if the municipality has adopted an ordinance, ratified
12 by a majority of the municipal voters voting on the question, authorizing gambling in
13 that municipality. A person may not have more than one owner's license in effect at
14 any time. Only one owner's license may be issued in a municipality.

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

18 (c) An applicant shall submit the following on forms provided by the
19 commission:

20 (1) the information required under AS 05.18.090;

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

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

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

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

30 (f) An applicant for an owner's license under this chapter shall pay all
31 additional costs that are associated with the investigation of the applicant that exceed

1 the portion of the application fee paid by the applicant that is assessed for the
2 investigation.

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

5 (1) has been convicted of a felony under the laws of the state, the laws
6 of another state, or laws of the United States;

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

9 (3) is a member of the commission;

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

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

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

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

19 (A) the applicant;

20 (B) a person that

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

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

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

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

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

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

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

31 (6) whether the applicant has adequate capitalization to provide and

1 maintain the gambling facility for the duration of the license;

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

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

6 **Sec. 05.18.180. Issuance of license; fee; bond.** (a) The commission may
7 issue an owner's license to an eligible person if the person pays an initial license fee of
8 \$50,000 and posts a bond as required in this section.

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

13 (1) cash or negotiable securities;

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

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

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

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

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

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

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

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

3 (g) If a new bond obtained under (e) or (f) of this section is unsatisfactory, the
4 commission shall cancel the owner's license. If the new bond is satisfactorily
5 furnished, the commission shall release, in writing, the surety on the old bond from
6 any liability accruing after the effective date of the new bond.

7 (h) A bond is released on the condition earlier of

8 (1) five years from the effective date of the owner's license if the
9 licensed owner remains at the site for which the owner's license is granted for the
10 entire five-year period; or

11 (2) the date on which the commission grants a license to another
12 licensed owner to operate from the site for which the bond was posted.

13 (i) A licensed owner who does not meet the requirements of (h)(1) of this
14 section forfeits a bond filed under this section. The proceeds of a bond that is in
15 default under this subsection are paid to the commission for the benefit of the local
16 unit of government from which the gambling facility is operated.

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

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

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

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

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

31 (2) the commission determines that the revocation of the license is in

1 the best interests of the state.

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

6 (b) A licensed owner shall undergo a complete investigation by the
7 commission every five years to determine whether the licensed owner remains in
8 compliance with this chapter.

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

12 (d) The licensed owner shall bear the cost of an investigation or
13 reinvestigation of the licensed owner and an investigation resulting from a potential
14 transfer of ownership.

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

19 **Sec. 05.18.230. Gambling equipment, devices, and supplies.** A licensed
20 owner may own gambling equipment, devices, and supplies. A licensed owner shall
21 file an annual report listing the licensed owner's inventories of gambling equipment,
22 devices, and supplies.

23 **Sec. 05.18.240. Schools for training occupational licensees.** This chapter
24 does not prohibit a licensed owner from operating a school for the training of
25 occupational licensees.

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

28 **Sec. 05.18.260. Supplier's license; requirements.** The commission may issue
29 a supplier's license under this chapter to a person if the commission determines that
30 the person is eligible for a supplier's license and the person has

31 (1) applied for the supplier's license and provided the information

1 required under AS 05.18.090;

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

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

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

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

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

9 **Sec. 05.18.270. Gambling equipment and supplies; distribution.** (a) A
10 person holding a supplier's license may sell, lease, and contract to sell or lease security
11 and surveillance services and supplies, money counting services and supplies, or
12 gambling equipment and supplies to a licensee involved in the ownership or
13 management of a gambling facility.

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

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

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

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

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

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

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

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

30 **Sec. 05.18.290. Necessity of supplier's license; exception.** (a) Except as
31 provided in (b) of this section, a person may not furnish security and surveillance

1 services and supplies, money counting services and supplies, or gambling equipment,
2 devices, or supplies to a gambling operation unless the person possesses a supplier's
3 license.

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

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

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

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

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

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

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

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

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

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

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

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

9 (1) to manage gambling operations under this chapter is subject to
 10 background inquiries and requirements similar to those required for an applicant for an
 11 owner's license under this chapter; and

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

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

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

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

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

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

24 (b) A licensed owner, an applicant for an owner's license, or a licensed
 25 supplier shall pay the application fee of an individual applying for an occupational
 26 license to work at the licensed owner's gambling operation or for the licensed supplier.
 27 The licensed owner, applicant for an owner's license, or licensed supplier shall pay the
 28 annual occupational license fee on behalf of an employee or potential employee. The
 29 licensed owner, applicant for an owner's license, or licensed supplier may seek
 30 reimbursement of the application fee or annual license fee from an employee who is
 31 issued an occupational license by the commission.

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

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

8 (e) The commission may investigate the holder of an occupational license at
9 any time the commission determines necessary to ensure that the licensee is in
10 compliance with this chapter.

11 (f) A licensed owner, an applicant for an owner's license, or a licensed
12 supplier shall pay the cost of an investigation or reinvestigation by the commission of
13 a holder of an occupational license who is employed by the licensed owner or licensed
14 supplier. The licensed owner, applicant for an owner's license, or licensed supplier
15 may seek reimbursement of the cost of an investigation or reinvestigation from an
16 employee who holds an occupational license.

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

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

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

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

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

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

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

31 (1) a statement of whether the applicant has held any other licenses

1 related to gambling;

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

4 (3) the applicant's age;

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

8 (c) An applicant for an occupational license shall submit with the application
9 two sets of the applicant's fingerprints. The applicant must submit the fingerprints on
10 forms provided by the commission. The commission shall charge each applicant the
11 fee set by the Department of Public Safety for state and national fingerprint record
12 searches.

13 **Sec. 05.18.380. Restrictions on issuance of occupational license.** Unless a
14 person is granted a waiver under AS 05.18.420, the commission may refuse to issue an
15 occupational license to an individual who

16 (1) is unqualified to perform the duties required of the applicant;

17 (2) does not disclose or states falsely any information required by the
18 application;

19 (3) has been found guilty of a violation of this chapter;

20 (4) has had a gambling-related license or an application for a
21 gambling-related license suspended, restricted, revoked, or denied for just cause in
22 another state; or

23 (5) has not met standards of character and fitness adopted by the
24 commission for the holding of an occupational license.

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

27 (1) a violation of this chapter;

28 (2) a cause that, if known to the commission, would have disqualified
29 the applicant from receiving the occupational license;

30 (3) a default in the payment of an obligation or a debt due to the state;

31 or

1 (4) any other just cause.

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

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

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

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

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

20 (1) the nature and duties of the position for which the individual has
21 applied;

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

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

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

25 (5) the age of the individual when the offense or conduct was
26 committed;

27 (6) whether the offense or conduct was an isolated or a repeated
28 incident;

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

31 (8) evidence of rehabilitation, including good conduct in prison or in

1 the community, counseling or psychiatric treatment received, acquisition of additional
 2 academic or vocational education, successful participation in a correctional work
 3 release program, or the recommendation of a person who supervises or has supervised
 4 the individual;

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

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

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

9 (B) after having considered the facts and circumstances, the
 10 prospective employer will hire the individual if the commission grants a waiver
 11 of the requirements of this chapter.

12 (c) The commission may not waive the requirements of this chapter for an
 13 individual who has been convicted of committing any of the following:

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

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

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

19 (4) a felony related to gambling under the laws of this state or a crime
 20 in another jurisdiction in which the elements of the crime for which the conviction was
 21 entered are substantially similar to the elements of a felony related to gambling under
 22 the laws of this state.

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

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

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

29 (1) employees of the commission;

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

31 **Sec. 05.18.460. Presence of commission employees in gambling facilities.**

1 Employees of the commission have the right to be present in a gambling facility or any
2 adjacent facilities under the control of a licensed owner.

3 **Sec. 05.18.470. Gambling equipment and supplies; purchase or lease.**

4 Gambling equipment and supplies customarily used in conducting gambling
5 operations may be purchased or leased only from suppliers licensed under this chapter.

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

9 **Sec. 05.18.490. Presence required for wagering.** Wagers may be received
10 only from a person present in a licensed gambling facility. A person present in a
11 gambling facility may not place or attempt to place a wager on behalf of another
12 person who is not present in the gambling facility.

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

15 **Sec. 05.18.510. Persons under 21 years of age; presence in gambling area.**

16 (a) Except as provided in (b) of this section, a person who is under 21 years of age
17 may not be present in the area where gambling is being conducted in a gambling
18 facility.

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

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

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

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

31 **Sec. 05.18.540. Crimes.** (a) A person commits a class A misdemeanor if the

1 person knowingly

2 (1) makes a false statement on an application submitted under this
3 chapter;

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

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

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

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

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

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

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

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

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

20 (B) under an agreement to influence or with the intent to
21 influence

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

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

26 (2) solicits, accepts, or receives a promise of anything of value or
27 benefit

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

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

1 influence the actions of the person to affect or attempt to affect the outcome of
 2 a gambling game or an official action of a commission member;

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

4 (A) projecting the outcome of a game;

5 (B) keeping track of the cards played;

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

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

10 (4) cheats at a gambling game;

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

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

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

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

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

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

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

29 (12) possesses a key or device designed for opening, entering, or
 30 affecting the operation of a gambling game, a drop box, or an electronic or mechanical
 31 device connected with the gambling game or removing coins, tokens, chips, or other

1 contents of a gambling game; this paragraph does not apply to a licensee or an
2 employee of a licensee acting in the course of the employee's employment;

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

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

9 **Sec. 05.18.560. Convicted felons; entering gambling facilities prohibited.**
10 A person who is convicted of a felony described in AS 05.18.540(b) is barred for life
11 from entering a gambling facility in this state.

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

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

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

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

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

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

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

1 (1) "adjusted gross receipts" means the total of all cash and property,
 2 including checks received by a licensee, whether collected or not, received by a
 3 licensee from gambling operations, minus the total of all cash paid out as winnings to
 4 patrons and uncollectible gaming receivables, not to exceed the lesser of a reasonable
 5 protection for uncollectible patron checks received from gambling operations or two
 6 percent of the total of all sums, including checks, whether collected or not, less the
 7 amount paid out as winnings to patrons; for purposes of this paragraph, a counter or
 8 personal check that is invalid or unenforceable under this chapter is considered cash
 9 received by the licensee from gambling operations;

10 (2) "cheat" means to alter the selection of criteria that determine the
 11 result of a gambling game or the amount or frequency of payment in a gambling game;

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

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

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

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

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

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

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

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

27 (11) "license" means a license issued by the commission under this
 28 chapter;

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

31 (13) "licensee" means a person holding a license issued under this

1 chapter;

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

4 (15) "supplier's license" means a license issued under this chapter that
5 allows a person to supply security and surveillance services and supplies, money
6 counting services and supplies, and gambling paraphernalia and equipment to a
7 licensed owner.

8 * **Sec. 3.** AS 11.66.280(2) is amended to read:

9 (2) "gambling" means that a person stakes or risks something of value
10 upon the outcome of a contest of chance or a future contingent event not under the
11 person's control or influence, upon an agreement or understanding that that person or
12 someone else will receive something of value in the event of a certain outcome;
13 "gambling" does not include

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

19 (B) playing an amusement device that

20 (i) confers only an immediate right of replay not
21 exchangeable for something of value other than the privilege of
22 immediate replay; and

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

25 (C) an activity authorized by the Department of Revenue under
26 AS 05.15 **or by the Alaska Gaming Commission under AS 05.18;**

27 * **Sec. 4.** AS 18.65.080 is amended by adding a new subsection to read:

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

31 * **Sec. 5.** AS 39.25.110(11) is amended to read:

1 (11) the officers and employees of the following boards, commissions,
 2 and authorities:

3 (A) [REPEALED

4 (B)] Alaska Permanent Fund Corporation;

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

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

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

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

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

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

11 * **Sec. 6.** AS 39.50.200(b) is amended by adding a new paragraph to read:

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