

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSHB 552(FIN)
 (H) Publish Date: 4/22/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
 Title Act related to gambling and gaming RDU Alaska State Troopers
 Component Alaska Bureau of Investigation
 Sponsor (H) Finance
 Requester (H) Finance Component No. 2744

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

At this point in time, in order to determine the fiscal impact to the Department of Public Safety (DPS) if HB 552 were to become law, consideration is only being given to the tasks of criminal history checks and background investigations. Because there are different levels or types of background investigations and criminal history checks that can be conducted, consideration must be given to the type and to what degree each applicant, owner, employee, and Alaska Gaming Commission member and staff member will be investigated.

Alaska Gaming Commission:

As the Alaska Gaming Commission members are selected by the Governor, each member will undergo a background investigation to include a fingerprint based criminal history check, a credit check, and other actions as deemed appropriate.

Prepared by: Lt. Al Storey Phone 269-4532
 Division Alaska State Troopers Date/Time 4/22/04 9:00 AM
 Approved by: Commissioner William Tandeske Date 4/22/2004
 Agency Department of Public Safety

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ANALYSIS CONTINUATION

At a minimum, this will take an estimated 8 to 12 staff-hours each to accomplish assuming that no issues are discovered that need additional investigation.

As the Alaska Gaming Commission comes into being, it will need an executive director, auditors, investigators, and administrative support. Those state employees will also require a fingerprint based criminal history check, a credit check, and other investigative efforts to insure that no issues are left unanswered as to the credibility of the employees. It is estimated that such investigations will take 6 to 8 staff-hours each to accomplish.

Also, based on the organizational chart proposed by the Department of Revenue in their fiscal analysis, seven state employees that will be assigned within the casino group, which is in turn subordinate to the executive director of the commission. All totaled, not counting the three gaming commissioners themselves, 9 state employees will need background investigations due to their employment with the Alaska Gaming Commission.

Owners, Managers, and Key Employees:

Based on input from other states, it is believed that at a minimum, all owners or partners of a gambling facility, all managers, and select key employees should have an expanded background investigation to include a fingerprint based criminal history check, a credit check, interaction with other state and local law enforcement agencies, and other appropriate investigative efforts as necessary to insure that the individuals are legitimate members of the business community.

Background checks will take a minimum of 8 to 12 staff-hours to accomplish. If information of a negative nature is discovered, additional investigative effort will be needed to insure that all concerns are properly addressed. It is not clear at this point how many of these types of background checks will be required. The number of these types of inquiries can also vary depending on the regulations that will be promulgated if this bill becomes law.

Occupational Licensing and Other Employees:

As provided for in the proposed legislation, others associated with the operation of the gambling facility will require occupational licensing. Based on the regulations that will be promulgated as a result of this legislation, it is believed that as part of the occupational licensing process, fingerprint based criminal history checks will be required in order to obtain an occupational license. The majority of these types of employees will be able to have their fingerprint based criminal history checks accomplished through a process that already exists as described in the fiscal analysis prepared by the Statewide Services Division of the Department of Public Safety. There are other considerations that must be looked at when making a finding of suitability as it relates to those involved in the sale, transfer, or offering for use or play of gambling associated equipment. Those considerations include, but certainly are not limited to, a credit check of individuals involved in the enterprise as well as past business practices.

Summary:

While HB 552 provides for the commission to reimburse the DPS for costs incurred in conducting background investigations from fees collected from applicants for licenses, the total number of people that will be required to obtain a complete background investigation and the amount of time and effort needed to complete each investigation are not immediately known. Therefore, the fiscal impact to the DPS cannot be determined at this time.