

HOUSE FINANCE COMMITTEE  
April 19, 2004  
9:16 A.M.

TAPE HFC 04 - 86, Side A  
TAPE HFC 04 - 86, Side B  
TAPE HFC 04 - 87, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 9:16 A.M.

MEMBERS PRESENT

Representative John Harris, Co-Chair  
Representative Bill Williams, Co-Chair  
Representative Kevin Meyer, Vice-Chair  
Representative Mike Chenault  
Representative Eric Croft  
Representative Hugh Fate  
Representative Richard Foster  
Representative Mike Hawker  
Representative Reggie Joule  
Representative Carl Moses  
Representative Bill Stoltze

MEMBERS ABSENT

None

ALSO PRESENT

Representative Harry Crawford; Tom Wright, Staff,  
Representative John Harris; Perry Green, Perry Green  
Leasing, Anchorage; Guy Warren, Stated Clerk, Presbytery of  
Alaska; Make Barnhill, Assistant Attorney General, Civil  
Division, Department of Law; Bob Loescher, ANB #2, Juneau;  
George Wright, Operator, Awesome Eats, Anchorage; Josh  
Cozby, Gustavus; Mike Olney, Bear Track Inn, Gustavus

PRESENT VIA TELECONFERENCE

T.J. Fescher, Cornerstone Enterprises, Las Vegas, Nevada;  
Richard Heacock, Fairbanks; Robert Poe, President, Anchorage  
Economic Development Corporation (AEDC), Anchorage; Larry  
Cash, Chairman, Anchorage Economic Development Corporation  
(AEDC), Anchorage; Ed Moeglein, Alaska Non Profit Charitable  
Organizations, Kenai

SUMMARY

#HB467

HB 467 An Act establishing an Alaska Commemorative Coin Commission to develop the design concepts and to make recommendations regarding the final design of the Alaska quarter under the 50 States Commemorative Coin Program Act; and providing for an effective date.

HB 467 was SCHEDULED but not HEARD.

#HB552

HB 552 An Act relating to gambling and gaming.

HB 552 was HEARD and HELD in Committee for further consideration.

HOUSE BILL NO. 552

An Act relating to gambling and gaming.

Co-Chair Harris explained that HB 552 is a "work in progress", sponsored by the House Finance Committee.

TOM WRIGHT, STAFF, REPRESENTATIVE JOHN HARRIS, explained that HB 552 would establish an Alaska Gaming Commission, designed to regulate, oversee and enforce statutes pertaining to gaming, as defined under AS 05.15 and gambling established within the bill.

The bill would also set in place new statutes that authorize the commission to issue a license to own and conduct gambling games at a specified gambling facility in any municipality within the State with a population of at least 150,000.

Mr. Wright pointed out that the commission through a new chapter, AS 05.18 as provided in the bill, would administer, regulate and enforce licensing for a gambling facility, the employees and the suppliers. Fees and taxes would be collected by the commission and placed into the State gaming fund, consisting of all revenue received from gambling activities. The fund would then be used to pay for any activity conducted by the commission and other agencies as they relate to gaming and gambling.

The State would collect a 17% tax on adjusted gross receipts received from gambling games. The municipality where the gambling facility was located, would be able to collect a tax of not more than 3% of the amount of adjusted gross receipts.

Mr. Wright continued, HB 552 establishes a new Class C felony and Class A misdemeanor for crimes related to associated gambling operations and activities. He added

that currently, 48 of the 50 states have some form of legalized gambling, with over half having casino gambling. The proposed legislation is intended to provide the tools to ensure strict supervision of any gambling and gaming activity authorized by the Alaska Gaming Commission.

Co-Chair Harris asked what had occurred to date on legalizing gambling. Mr. Wright noted that Mike Barnhill from the Department of Law was working on the legal analysis requested by the Committee. There are communities within the State, Metlakatla, Kake and Klawock that are eligible if gaming and gambling is established in the State.

Representative Fate pointed out the fiscal note, questioning the effect given Alaska population numbers. Mr. Wright deferred those comments to the Department of Revenue.

PERRY GREEN, PERRY GREEN LEASING, ANCHORAGE, voiced his appreciation for a scheduled a hearing of HB 552. He stated that the bill would create the Alaska Gaming Commission and allow them to issue a single site casino gaming license in Anchorage. He noted that it has been his dream to develop a world-class casino operation in the vacant Alaska Seafood International (ASI) building that is currently owned and maintained, at a loss, by the State.

In a recent survey by KTUU Channel 2, viewers were asked if they favored or opposed the single site casino concept in Anchorage. Mr. Green found the results startling, with 67% in favor, 32% opposed and 1% undecided. He claimed that the over 500 respondents were informed viewers, watching the newscast; people who understand and care about the State's economic situation. Mr. Green discussed that the State needs new sources of revenue and good jobs for the residents.

Mr. Green pointed out that 48 states currently use gaming as a revenue source and that new revenue and industry has been revitalizing cities, counties, and even states. Not one state that has established gaming has reversed their decision. After 5 years, the State of Louisiana decided to have a referendum to determine if they should continue statewide gaming. Seventy-six percent of the voters approved the referendum, sending the message that gaming had operated successfully. Voters in that state understand that this clean industry provides good jobs.

Mr. Green pointed out that in the very conservative State of Mississippi, gaming began in Tunica County, an area experiencing over 25% unemployment. Today, their unemployment is under 4.3% as new jobs were created for many residents who had never before had the opportunity to work. Food stamp recipients decreased by 70%. The casino sponsored programs that educated these people on not only the importance of doing their jobs, but in life skills.

They learned that things like being timely for their job, dressing properly and carrying out proper hygiene are not complicated but necessary in order to get and keep a job. The mayors of those cities realized that employment was far better for the souls of their citizens than welfare, and that the resulting benefits far out weighed any concerns they had.

Mr. Green pointed out that it could be asked what benefits could result with just one casino in Alaska. He offered a projected 10-year estimate:

1. The State of Alaska would receive a minimum of \$200 million dollars in revenue. The bill proposes a 17% tax on the adjusted gross receipts, more than double the amount currently collected by California (8.5%) and triple that of Nevada (6.7%).
2. The Municipality of Anchorage would receive \$50 million dollars in taxes, which would include the assessed worth of the valuable ASI property. The bill allows the municipality to tax up to 3% on the adjusted gross receipts. The City currently receives no revenue from that State owned property.
3. Increased retail sales of \$3 billion dollars statewide would result. Local sales taxes and bed taxes would increase for other communities from Ketchikan to Barrow, when new tourists traveling statewide visit those cities.
4. Without using any State funding, the casino would generate millions of dollars worth of marketing value by promoting this destination to state travelers in the Far East and other coveted markets.
5. During the renovation of the facility, construction jobs worth \$100 million dollars would be created.
6. An education program would be created in conjunction with South Central Foundation or established religious organizations for many Alaskans, who currently have no working experience. Employment would be 98% Alaskan and those that are in need will learn life skills in addition to job training.
7. A childcare facility would be established for working single parents on site, which will allow Alaskans who cannot afford to work outside of their home previously because of concerns over the expense and quality of childcare, to seek employment.
8. Additional work would be available for many trained professionals, including local musicians and stagehands, as star attractions would be performing regularly at the facility.
9. Cost savings would be realized by local law enforcement agencies because existing illegal after-hours clubs will disappear with the onset of regulated legal casino gaming.
10. Alaskan businesses will be given the opportunity to

provide services and supplies to the casino.

Mr. Green stated that one of the main reasons the ASI facility was chosen for the project is to relieve the State of an expensive and underutilized facility. The proposal requires little from the State in the form of money or government jobs, as all costs of the Commission would be borne either by the license holder or through the taxes collected from the facility. It would create a valuable new tourism infrastructure that could be of great benefit to everyone in the visitor industry.

Vice Chair Meyer asked if passage of the bill would be contingent on the Alaska Seafood facility. Mr. Green responded that would be a competitive process. He mentioned Hammond, Indiana, and the changes that have occurred with casino construction. Vice Chair Meyer asked if Mr. Perry's company was willing to pay fair market value or go through the competitive process to buy the Alaska Seafood Processing facility. Mr. Green replied that they absolutely are.

Co-Chair Harris asked Mr. Green to explain how the proposed project would be helpful to the entire State of Alaska. Mr. Green noted an article in the Las Vegas newspaper regarding their monorail activity associated with tourism. He pointed out that Nevada has no oil income. By passing the legislation for a place like Valdez, the sport fishing would benefit from the extra tourism associated with the casino. The casino would create one more major statewide attraction and the industry would create many offshoot jobs. At this time, 1.3 million visitors come to Alaska every year and the largest percentage is brought by the cruise ship industry, which pretty much controls their own passengers. The casino would attract the free, independent travelers.

Mr. Perry advised that recently, the Anchorage Visitor Bureau had to lay off three of their long time employees because tourism and convention business was down. Putting in a casino in Alaska would sell tourists on Alaska. He pointed out that Palm Springs has five casinos in a city a little larger than Anchorage. He did not think anyone in that area was opposed to the casinos. What the casino has done for the people of that area has brought first class entertainment and something for people to do at night, making it a tourist destination. He acknowledged that not everyone would enjoy a casino but recommended that Alaska should not throw away an opportunity to create new jobs. The industry brings in willing taxation by more industry and business.

Representative Stoltze pointed out that the manner in which the bill was written would only effect Anchorage. He asked if the affected community councils and the Anchorage assembly had testified regarding the issue. Mr. Green

responded that in the proposed area, house values should increase by 20%. He added that there would be a nineteen-acre buffer zone and that it would create a \$100 million dollars in Union construction jobs.

Representative Stoltze interjected that he had asked about the community councils and the Anchorage assembly. Mr. Green responded that he had meetings with Mayor Begich and that a "good majority" supports the legislation. He maintained that it is a clean, good business and will help Alaska's economy without any new taxation. The casino would be widely accepted and done in a tasteful and non-intrusive manner to any neighborhood. He predicted that workers would buy homes in the area. Mr. Green noted that he had spoken with members from the Anchorage Assembly, who wanted to see the action taken by the Legislature before making their commitment. Representative Stoltze asserted that was rare that the Anchorage Assembly had not taken a position on the project.

Co-Chair Harris inquired if Mayor Begich was in favor of the project. Mr. Green replied that the mayor is not opposed and wants a guarantee that it will be a first class operation. Mr. Green said that having only one single casino, the State will be able to control who the patrons are. The casino would be the "tip of the iceberg" with regard to what can happen when working in a legitimate business.

Co-Chair Harris clarified that it is very important that the Mayor of Anchorage is strongly on board. Mr. Green commented that the Anchorage Economic Development (AEDC) group would be testifying on the plan. Co-Chair Harris asked if there had been any contact with the local community councils in the affected areas. Mr. Green replied that there has not.

Representative Hawker focused on the broader regulatory provisions of the bill. He asked if it was intended that the commission could regulate more than the proposed casino. Mr. Wright responded that the commission would address any legal and authorized gambling operations and gaming activities throughout the State. There have been concerns expressed about having the commission oversee the charitable gaming industry.

Representative Hawker pointed out that initially there was a proposal for a regulatory commission without the sidebars proposed in HB 552. The bill before the Committee would provide the sidebars as well as the proposed guidelines for the casino. Mr. Wright responded he did not know other gambling statutes and regulations from other states. He maintained that the proposal before the Committee contains strict guidelines for the licensing oversight. He

reiterated that there needs to be some refinement and that the sponsors intend to meet with the Department of Public Safety for background checks of all applicants. The requestor intends to make the bill as tight as possible in hopes of creating a pure industry.

Representative Hawker concurred that the bill goes in depth regulating the industry. He asked if there was anything in the bill that would authorize gaming activity that is not already in statute. Mr. Wright did not think there was. The bill lays out the type of gambling activities that may be conducted within a State casino. The regular charitable gaming activities continue to be in the bill.

T.J. FESCHER, (TESTIFIED VIA TELECONFERENCE), CORNERSTONE COMPANY, LAS VEGAS, NEVADA, testified in support of the bill noting that he was part of a prominent casino family in Las Vegas. He stated that he was looking forward to getting into the casino business in Alaska, pointing out that the opportunity in Alaska is great. Mr. Fescher indicated that he owns casinos in other states and has grown up in the industry. The economic impact has been dramatic in those communities through the casinos. He emphasized that it would be a wonderful opportunity for Anchorage.

Mr. Fescher projected that the initial investment would be between \$80 and \$120 million dollars. He anticipated \$100 million dollars in revenue generated from the slot machines, table games and poker tables. He anticipates between 600-700 employees hired with a starting wage of \$5.50 per hour and including tips, the hourly amount could be around \$15 dollars.

Mr. Fescher spoke to the benefits of casino gaming and the impacts of gaming on those areas, noting that a casino could positively affect many markets statewide.

RICHARD HEACOCK, (TESTIFIED VIA TELECONFERENCE), FAIRBANKS, testified in opposition to the legislation. He noted that in 1960, there was a casino gambling lobby that came from Nevada and Chicago that tried to get Alaska to legalize casino gambling. The Alaska Association of Churches alerted churches throughout the State and they overwhelmingly opposed the expansion of gambling. Recently, churches adopted a regulation to oppose gambling because of the social costs associated with it. Mr. Heacock urged that serious research be done on the issue identifying the social costs and consequences. He foresaw big problems, including marital problems, suicides, divorce, and alcohol and pointed out that 75% of the respondents to the survey issued by Representative Pete Kott were opposed to Las Vegas style casino gambling in Alaska.

ROBERT POE, (TESTIFIED VIA TELECONFERENCE), PRESIDENT, ANCHORAGE ECONOMIC DEVELOPMENT CORPORATION (AEDC), ANCHORAGE, offered to answer questions of the Committee and requested that Mr. Cash, Chairman for AEDC testify on the legislation.

LARRY CASH, (TESTIFIED VIA TELECONFERENCE), CHAIRMAN OF THE BOARD, ANCHORAGE ECONOMIC DEVELOPMENT CORPORATION (AEDC), ANCHORAGE, voiced support for the bill. He noted that the Board had not taken a position on the bill and that the following comments were his personal ones. He pointed out that the Board would be taking the issue up at their next meeting.

Mr. Cash thought that a casino would complement the Anchorage economy and that there is already a substantial tourism infrastructure developed. The casino is likely to make Anchorage a more attractive place to visit. He noted that gambling has become very common in America. Many cities have benefited from the evolution of Indian gaming. It has become one of the fastest growing aspects of a major segment of many state's economies. With the expanse of casinos, jobs are expanded. Generally, gaming has not resulted in an increase for crime.

Mr. Cash concluded his testimony, stating that passage of the bill could help improve Alaska's fiscal picture. He offered to answer questions of the Committee.

REPRESENTATIVE HARRY CRAWFORD commented on his own personal experience regarding the increases in crime with the coming of casinos and gambling. He noted that in his hometown, when the casinos opened then came prostitution, drugs were sold and burglaries increased. He emphasized that casinos are associated with a tremendous amount of crime.

Mr. Poe interjected that statistics show that the per capita percentage of crime does not go up. Population's increase and consequently, some crime increases. He claimed that the most important thing to consider is the negative social impacts associated with unemployment.

**TAPE HFC 04 - 86, Side B**

Mr. Poe added that there are many statistics associated with unemployment such as suicides, child abuse, marital problems, drug abuse, and alcohol. Mr. Poe argued that it is rare to find an industry that pays their own way, while making a contribution to the community.

GUY WARREN, STATED CLERK, PRESBYTERY OF ALASKA, JUNEAU, voiced opposition to HB 552. He noted that the Presbytery

of Alaska consists of 15 member churches of the Presbyterian Church. The bill represents a significant step towards situations, which will not be in the best interest of the State or the citizens that it serves.

Mr. Warren knew that while approval of the legislation could provide new funding to meet the financial gap and new employment, the Presbytery also believes that the costs the State would incur attempting to repair the social ills that gambling brings will more than consume that funding and would remove any real benefit from the employment. Those social ills include increased domestic violence, various psychological and social problems and an increased incidence of suicide. He pointed out that these issues already trouble Alaska, and that no additional encouragement is needed.

Mr. Warren recommended that the Legislature seek detailed and independently researched estimates on such costs. The legislation will see serious casino gambling introduced to Alaska prior to the research. He noted that the Presbytery submitted a resolution approved last fall, to the members of the Legislature expressing their specific opposition to gambling. The reasons are provided in that resolution. (Copy on File).

Mr. Warren strongly urged members of the Legislature to remember who they represent, namely the people of Alaska. The people of the State have loudly spoken on the matter of gambling. A proposal to set up an Alaska Gambling Board was presented in 1990 and was defeated by over 40,000 votes, nearly a 2-1 margin.

Co-Chair Harris asked if there was any form of gaming that the Presbytery would support. Mr. Warren responded that what is being proposed is not gaming, but gambling. When there is money on the table and lost that is gambling. The Presbytery does not support any increased gambling in the State.

Co-Chair Harris asked if the Presbytery supported the elimination of other types of gambling such as bingo. Mr. Warren responded that the Presbytery had not discussed that.

Representative Fate asked if Mr. Warren could qualify the social costs associated with gambling across the State. Mr. Warren responded that the Presbytery has not undertaken specific research, as they do not have the resources. He submitted that should be the work of the State.

BOB LOESCHER, (ALASKA NATIVE BROTHERHOOD) ANB #2, JUNEAU, noted that he represented charitable gaming organization. He indicated his support for the concept of the legislation. Mr. Loescher commented on some provisional concerns not

impact charitable gaming as currently known. The current status of the statutes and regulations are in the best interests for Alaskans and charitable gaming statewide. He noted that his group is working with the committee on taxation issues for charitable gaming.

Mr. Loescher pointed out that the bill before the Committee has specific provisions that would affect charitable gaming, and he requested those provisions be excluded. The provisions would increase the costs for background information bonds. There are many costs that a non-profit is not able to afford. He noted that the ANB has also been working with the sponsor of HB 509, regarding the structure included in the Alaska Statutes. He said that HB 509 is a good bill and HB 552 differs in the composition of the commission. The ANB prefers the structure written in HB 509, reiterating concern that charitable gaming be excluded from the bill.

Representative Stoltze asked about placing the casino in another community. Mr. Loescher elaborated on the economy of scale concern and that only Anchorage would be big enough to support such an endeavor. Representative Stoltze mentioned the number of people coming off the cruise ships in Southeast Alaska.

In response to a question by Representative Hawker, Mr. Loescher compared the proposed legislation to HB 509. HB 509 provides for a larger commission consisting of disinterested Alaskans and two ex-official members; HB 552 proposes a limited entry commission style in which the commissioners would be paid.

GEORGE WRIGHT, OPERATOR, AWESON EATS, ANCHORAGE, stated that he did not object to the casino concept, but expressed concern with the inclusion of charitable gaming. He spoke in support of a larger commission such as the one contained in HB 509. He did not think that an increase in crime would be a major problem and agreed with the importance of creating new jobs.

JOSH COZBY, SPORT FISHING, GUSTAVUS, testified in support of the legislation. He stated that he operates a sport fishing business in Gustavus and addressed the importance of tourism marketing statewide. Mr. Cozby observed that Alaska could then be marketed in Las Vegas if it had a casino. He felt that his business would be positively impacted.

MIKE OLNEY, BEAR TRACK INN, GUSTAVUS, spoke in support of the legislation. He pointed out the decrease tourism has experienced since he moved to the State in 1992. He asserted that additional marketing would help.

Representative Crawford reiterated his opposition to the legislation. He maintained that gambling would bring degradation to the State of Alaska. He stress that the intent of the operators is to "separate people from their money" and make the owners rich. He advised that Gambling Anonymous is a thriving business in his hometown of Tree Port, Louisiana. In 1974, a thorough breed racetrack was proposed in Tree Port, Louisiana and that he was supportive at the time, but since has come to see the negative impact of that industry. Gambling brings many social ills.

Co-Chair Harris inquired if a gas pipeline would be bringing similar ills. Representative Crawford acknowledged that construction of a gas pipeline might bring social ills, but pointed out that they would go away after the construction period was over. He maintained that gambling would rule the Legislature once established.

Co-Chair Harris referred to horse racing and other activities where gambling exists. He questioned where the line would be drawn between entertainments and gambling. Representative Crawford acknowledged the difficulty of the issue. Las Vegas attracts people from all over the country and world. Alaska will be a self-contained, seasonal market, skimming all the expendable income out of Alaska. Following the initial flurry of activity, the economy will begin to shrink as the economy moves to other places.

ED MOEGLEIN, (TESTIFIED VIA TELECONFERENCE), ALASKA NON PROFIT CHARITABLE ORGANIZATIONS, KENAI, spoke about gaming in Anchorage. He recommended that there be an independent study indicating both positive & negative impacts that casino gambling involves. The negative impact could outweigh the positive effects. He stressed that before any informed decision can be made, a business study should be undertaken.

Representative Stoltze asked the affiliates that Mr. Moeglein represents. Mr. Moeglein replied that he represents the Veterans of Foreign Wars (VFW), the American Legion, Elks, Eagles, and the Viet Nam Veterans of America.

Co-Chair Harris acknowledged that this is "charitable gambling", as money would be exchanging hands. He noted that if a person was against gambling, they would probably be against gaming as well. Mr. Moeglein commented that was not a fair assessment because when it is benefiting the communities and organizations and done by volunteers of the charitable organizations, there is a difference. He recommended that a study be done on casino gambling. He did not know how it would affect the charitable non-profits. The individuals do a lot of the charitable gaming from those organizations and the money raised from the organizing goes

into community service. It is a means of continually raising funds for the communities.

Co-Chair Williams indicated that statewide testimony would be closed.

MAKE BARNHILL, ASSISTANT ATTORNEY GENERAL, COMMERCIAL SECTION, DEPARTMENT OF LAW, offered to answer questions of the Committee regarding the gaming bill.

Co-Chair Harris commented that federal law allows for reservation status for Indian groups to have some type of gaming, as the State would allow by law. He asked if that would open up the opportunity for any Native groups in Alaska to qualify to open a full-scale casino. Mr. Barnhill replied that it would. He elaborated that the Indian Gambling Regulatory Act provides for three types of gaming on Indian lands. The first type is Class I gaming consisting of traditional Indian games, social games with prizes. That type of gaming is not subject to any kind of regulation, federal or State. The second kind of gaming is Class II gaming, consisting of bingo, pull-tabs and some card games. That kind of gaming is also not subject to State regulation but is subject to regulation by the federal government. Everything else falls into the Class III gaming, the kind of gaming done in casinos.

Mr. Barnhill continued, in order to conduct Class III on Indian lands, there are several requirements. It must be conducted on Indian lands within the definition in the Indian Land Regulatory Act. That included Indian reservations, trust lands or restricted lands over which the tribe is exercising governmental power. Barrow applied several years ago and was denied because the particular parcel that they submitted to conduct gaming on, the Gaming Commission found that they did not exercise federal power over the parcel.

The second requirement is that the tribe has to authorize an ordinance. The national Gaming Commission must approve the ordinance. The third requirement is that the state in which the Indian lands are situated must permit that type of gaming. The State and the tribe must enter into a negotiated compact to agree that the games would be productive.

In response to Representative Stoltze, Mr. Barnhill understood that when a question comes before the National Commission on Gaming, they would go the Commissioner of the Department of the Interior for legal questions, which can be appealed to the District Court. He added that the State of Alaska has participated in that process with the decision in Barrow.

Representative Stoltze listed the past scandals involving the Department of Interior and improper campaign contributions. He commented that the proposed legislation was not necessarily a pure process.

Representative Croft asked if under the requirements of Indian Gaming Act, would the proposed legislation constitute the State authorizing gaming under Class III. Mr. Barnhill responded that the legislation does not authorize gaming and that it is an open question. For the authorization of purpose under the regulatory act, an argument could be made.

Representative Croft commented that passage of the legislation may authorize Indian gaming but when the Commission does exercise the issue of license, it is clear. Mr. Barnhill understood that the legislation would delegate the power to the Alaska Gaming Commission and that it is not certain that the Commission would approve all the games.

Representative Croft thought it was indicated that only one license could be issued. Mr. Barnhill advised that was not correct. The State permits any person, anywhere, to conduct gaming. If the Alaska Gaming Commission licenses the gaming that would be enough to conduct the activities assuming that all other requirements are approved.

Representative Croft mentioned Metlakatla, Kake and Klawock and their "grandfathered in" status exception. Mr. Barnhill responded that there is a difference between Indian country and the statutory definition of Indian lands.

**TAPE HFC 04 - 87, Side A**

Representative Croft asked for information on the difference between Indian country and Indian lands. Mr. Barnhill offered to get back to Representative Croft on that concern. He understood that the definition of Indian lands was broader than the definition of Indian country.

Co-Chair Harris asked the Department to address the issues regarding increased crime and the type of concerns involved with that activity. There might be increased business for the Department of Public Safety and the Department of Law with criminal activity. Mr. Barnhill stated that he could not speak for the Department of Public Safety, but thought that since it would be only one casino, the issues are up-front. He could not address the idea of increased crime.

Representative Fate commented on the disposition of land and village lands. He understood that village lands are currently under private councils and that there are 26 separate tribes in the State of Alaska. Mr. Barnhill

thought that the critical part of the definition of Indian lands is that the tribe has to exercise jurisdiction over the land in question. The numbers of parcels that the tribes are actually exercising jurisdiction is small. In most cases, the federal government is exercising that jurisdiction. He offered to research it further.

HB 552 was HELD in Committee for further consideration.

#

ADJOURNMENT

The meeting was adjourned at 10:56 A.M.