

CS FOR HOUSE BILL NO. 272(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/30/05

Referred: Today's Calendar

Sponsor(s): REPRESENTATIVE KOTT

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to card rooms and card operations."**

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

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

5 LEGISLATIVE INTENT. This chapter is intended to benefit the people of Alaska by
6 promoting tourism and assisting economic development. The public's confidence and trust
7 will be maintained only through the comprehensive law enforcement supervision and strict
8 regulation of card rooms and card operations under AS 05.18.

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

10 **Chapter 18. Card Rooms.**

11 **Article 1. Card Games and Card Rooms.**

12 **Sec. 05.18.010. Card rooms.** (a) Notwithstanding AS 11.66, a person may
13 establish and operate a card room in the state if the person complies with the licensing
14 and other requirements of this chapter, as well as the statutory requirements applying
15 to businesses generally.

1 (b) The following non-banking card games may be played in a card room,
2 according to rules prescribed in regulation by the department:

- 3 (1) poker;
4 (2) pan;
5 (3) rummy;
6 (4) bridge; and
7 (5) cribbage.

8 **Sec. 05.18.020. Presence of department employees in card rooms.**

9 Employees of the department have the right to be present in a card room or any
10 adjacent facilities under the control of a licensed owner.

11 **Sec. 05.18.030. Wagers.** (a) The department shall determine minimum and
12 maximum wagers on card games.

13 (b) A licensed owner may not permit any form of wagering on card games
14 except as permitted under this chapter.

15 (c) Wagers may be received only from a person present in a licensed card
16 room. A person present in a card room may not place or attempt to place a wager on
17 behalf of another person who is not present in the card room.

18 (d) Wagering may not be conducted with money or other negotiable currency.

19 (e) All tokens or chips that are used to make wagers must be purchased from
20 the owner of the card room while the purchaser is in the card room or at a facility that
21 is adjacent to the card room and has been approved by the department. The tokens or
22 chips may be purchased by means of an agreement under which the licensed owner
23 extends credit to the patron.

24 **Sec. 05.18.040. Persons under 21 years of age.** (a) A person who is under
25 21 years of age may not be present in a card room.

26 (b) A person who is under 21 years of age may not make a wager under this
27 chapter.

28 **Article 2. Administration.**

29 **Sec. 05.18.110. Administration, regulation, and enforcement.** (a) The
30 department shall administer, regulate, and enforce the provisions of this chapter. The
31 department:

- 1 (1) shall have all powers and duties specified in this chapter;
- 2 (2) shall have all powers necessary to execute this chapter;
- 3 (3) shall exercise jurisdiction and supervision over the following:
- 4 (A) all authorized card operations in the state;
- 5 (B) all persons in card rooms where card operations are
- 6 conducted;
- 7 (4) shall investigate and reinvestigate applicants and license holders
- 8 and determine the eligibility of applicants for licenses and to require applicants and
- 9 license holders to reimburse the department for the costs of the investigation and
- 10 reinvestigation;
- 11 (5) shall select from among competing applicants the applicants that
- 12 promote the most economic development and that best serve the interests of the
- 13 citizens of the state;
- 14 (6) shall take appropriate administrative enforcement or disciplinary
- 15 action against a licensee under this chapter that violates the provisions of this chapter;
- 16 (7) shall investigate alleged violations of this chapter;
- 17 (8) shall establish fees for the review and investigation of applications
- 18 for the licenses that are authorized under this chapter;
- 19 (9) may conduct hearings;
- 20 (10) may issue subpoenas to compel the attendance of witnesses and
- 21 subpoenas duces tecum for the production of books, records, and other relevant
- 22 documents;
- 23 (11) may administer oaths and affirmations to witnesses;
- 24 (12) shall prescribe a form to be used by a licensed owner as an
- 25 application for employment by potential employees of the card room and licensees of
- 26 the department;
- 27 (13) may revoke, suspend, or renew licenses issued under this chapter;
- 28 (14) may hire employees to gather information, conduct investigations,
- 29 and carry out other tasks under this chapter;
- 30 (15) may take any appropriate action to enforce this chapter, including
- 31 the issuance of notices of violations of this chapter or regulations of the department,

1 orders to cease and desist, and closure orders;

2 (16) may adopt regulations for the implementation and enforcement of
3 this chapter;

4 (17) shall adopt regulations governing the conduct of card games that
5 may be played in card rooms;

6 (18) shall adopt regulations specifying the form and amount of charges
7 a card room may impose on players for playing card games in the card room;

8 (19) may, through the office of the attorney general, apply to the courts
9 for injunctive and declaratory relief in aid of any action or decision of the department
10 on any matter within the jurisdiction of the department.

11 (b) The Department of Public Safety and the attorney general may assist the
12 department in conducting background investigations of applicants. The department
13 shall reimburse the Department of Public Safety for the costs incurred by the
14 department as a result of assistance provided to the department under this section. The
15 department shall make the payment from fees collected from applicants for licenses.

16 **Sec. 05.18.120. Violations; fees; inspections.** (a) The department shall

17 (1) provide for the establishment and collection of license fees
18 imposed under this chapter and deposit the license fees in the state gaming fund;

19 (2) levy and collect penalties for noncriminal violations of this chapter
20 and deposit the penalties in the state gaming fund.

21 (b) The department may enter an office, a card room, or other premises of a
22 person holding an owner's license where evidence of compliance or noncompliance
23 with this chapter is likely to be found.

24 **Sec. 05.18.130. Licensing.** (a) The department shall adopt standards for the
25 licensing of persons regulated under this chapter.

26 (b) The department shall require that the records, including financial
27 statements, of a person holding an owner's license must be maintained in the manner
28 prescribed by the department.

29 (c) The department may not issue a license to a person who has been
30 convicted of a felony in this or another jurisdiction.

31 (d) An applicant for a license under this chapter shall provide the following

1 information to the department:

2 (1) the name, business address, and business telephone number of the
3 applicant;

4 (2) an identification of the applicant;

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

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

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

9 (C) the identity of

10 (i) any entity in which the applicant has an equity
11 interest of at least 20 percent; the identification must include the state
12 of incorporation or registration, if applicable; however, an applicant
13 that has a pending registration statement filed with the United States
14 Securities and Exchange Commission is not required to provide
15 information under this item;

16 (ii) the shareholders or participants of the applicant; an
17 applicant that has a pending registration statement filed with the United
18 States Securities and Exchange Commission is required to provide only
19 the names of persons holding an interest of more than 20 percent of all
20 shares;

21 (4) an identification of any business, including the state of
22 incorporation and all states where the business is registered to do business, if
23 applicable, in which an applicant or the spouse or children of an applicant has an
24 equity interest of more than 20 percent of all shares;

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

29 (A) the name and location of the court, the arresting agency,
30 and the prosecuting agency;

31 (B) the case number;

1 (C) the date and type of offense;

2 (D) the disposition of the charge;

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

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

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

13 (8) the name and business telephone number of the attorney, if any,
14 who will represent the applicant in matters before the department;

15 (9) a description of a proposed or an approved card room, including
16 the expected economic benefit to local communities;

17 (10) the following information from each licensee involved in the
18 ownership or management of card operations:

19 (A) an annual balance sheet;

20 (B) an annual income statement;

21 (C) a list of the stockholders or other persons having at least 20
22 percent beneficial interest in the card room activities of the person who has
23 been issued the owner's license;

24 (D) any other information the department considers necessary
25 for the effective administration of this chapter.

26 (e) The department shall review and approve or disapprove promptly and in
27 reasonable order all license applications.

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

1 (g) Except as provided in AS 05.18.180, the department shall serve notice of
 2 the department's actions under this section on a party by personal delivery or by
 3 certified mail. Notice served by certified mail is considered complete three business
 4 days following the date of the mailing.

5 (h) The department shall conduct all requested hearings under this section
 6 promptly and in reasonable order.

7 **Sec. 05.18.140. Card room advisory board.** (a) The governor shall appoint
 8 five individuals to serve on a card room advisory board. Appointments to the board
 9 shall be for a period of five years.

10 (b) The card room advisory board shall make recommendations to the
 11 department relating to license applications and policy issues relating to card rooms.

12 (c) Members of the card room advisory board serve without compensation and
 13 are not entitled to per diem and travel expenses authorized by law for boards and
 14 commissions under AS 39.20.180.

15 **Sec. 05.18.150. Violations of chapter; fraudulent acts.** If a licensee or an
 16 employee of a licensee violates this chapter or engages in a fraudulent act, the
 17 department may

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

19 (2) require the removal of a licensee or an employee of a licensee from
 20 the card room;

21 (3) impose a civil penalty of not more than \$5,000 against an
 22 individual who has been issued an occupational license for each violation of this
 23 chapter;

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

27 **Sec. 05.18.160. Investigative procedure; complaints.** (a) The department
 28 shall review and make a determination on a complaint by a person who has been
 29 issued an owner's license concerning an investigative procedure that the licensee
 30 alleges is unnecessarily disruptive of card operations.

31 (b) A licensee filing a complaint under this section must prove by clear and

1 convincing evidence that the investigative procedure

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

3 (2) is so disruptive as to unreasonably inhibit card operations.

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

6 **Sec. 05.18.170. Transfer of licenses; rules of procedure; prohibitions.** (a)

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

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

18 **Sec. 05.18.180. Suspension of license without notice or hearing; revocation**
19 **of license.** (a) The department may suspend a license issued to the owner of a card
20 room without notice or hearing if the department determines that the safety or health
21 of patrons or employees would be threatened by the continued operation of the card
22 room. The opportunity for a hearing shall be provided within a reasonable time
23 following a suspension.

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

28 **Sec. 05.18.190. Department records.** (a) Notwithstanding any other law,
29 upon written request from a person, the department shall provide the following
30 information to the person:

31 (1) the information provided under this chapter concerning a licensee

1 or an applicant;

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

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

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

8 **Article 3. Licenses.**

9 **Sec. 05.18.200. Owner's licenses.** (a) The department may issue to a person
10 a license to own a card room and conduct card games in any municipality of the state
11 with a population of at least 30,000 according to the most recent federal census
12 information. The total number of owner's licenses issued in a municipality may not
13 exceed the total population of the municipality divided by 30,000.

14 (b) A person applying for an owner's license under this chapter shall pay a
15 nonrefundable \$25,000 application fee to the department.

16 (c) An applicant shall submit the following on forms provided by the
17 department:

18 (1) the information required under AS 05.18.130;

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

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

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

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

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

1 (g) The department may not issue an owner's license under this chapter to a
2 person if the person

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

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

7 (3) is an officer, a director, or a managerial employee of a person
8 described in (1) or (2) of this subsection; or

9 (4) employs an individual described in (1), (2), or (3) of this subsection
10 and that individual participates in the management or operation of card operations
11 authorized under this chapter.

12 **Sec. 05.18.210. Factors considered in granting owner's licenses;**
13 **submission of design.** In determining whether to grant an owner's license to an
14 applicant, the department shall consider

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

16 (A) the applicant;

17 (B) a person that

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

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

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

21 (2) the card room or proposed card room;

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

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

26 (5) whether the applicant has adequate capitalization to provide and
27 maintain the card room for the duration of the license;

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

30 **Sec. 05.18.220. Issuance of license; fee; bond.** (a) The department may
31 issue an owner's license to an eligible person if the person pays an initial license fee

1 and posts a bond as required in this section. The annual license fee is \$10,000 for each
2 card table. After a license has been issued, additional tables may be added for an
3 initial license fee of \$10,000 each; however, the full annual renewal fee for each table
4 must be paid on or before the anniversary of issuance of the owner's license,
5 regardless of when the table was added. The department may suspend or revoke a
6 license if the annual license fee is not paid in a timely fashion.

7 (b) A licensed owner must post a \$500,000 cash bond with the department at
8 least 60 days before the commencement of the construction of a card room or the
9 commencement of a card operation under the license, whichever is earlier.

10 (c) The principal of the bond shall be placed without restriction at the disposal
11 of the department, but interest earned on the principal shall inure to the benefit of the
12 licensee.

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

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

20 (f) The department may require a licensed owner to file a new bond with a
21 satisfactory surety in the same form and amount if

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

24 (2) in the opinion of the department, a surety on the old bond becomes
25 unsatisfactory.

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

30 (h) The total and aggregate liability of the surety on a bond is limited to the
31 amount specified in the bond, and the continuous nature of the bond may not be

1 construed as allowing the liability of the surety under a bond to accumulate for each
2 successive approval period during which the bond is in force.

3 (i) A bond filed under this section is released 60 days after the owner's license
4 expires and a written request for release is submitted by the licensed owner.

5 **Sec. 05.18.230. Tournaments.** The holder of an owner's license for a card
6 room shall host a card tournament at least once each calendar quarter, with the gross
7 proceeds of the tournament to be distributed to a nonprofit educational institution or
8 group designated by the owner. An application for issuance or renewal of an owner's
9 license must include proposed dates for the tournaments, and specify the nonprofit
10 educational institution or group designated to benefit from each tournament. The
11 licensed owner shall notify the department of any change in the date or beneficiary of
12 a tournament. A nonprofit educational institution or group may be the designated
13 beneficiary of only one tournament each year under this section.

14 **Sec. 05.18.240. Term of a license.** An owner's initial license expires five
15 years after the effective date of the license.

16 **Sec. 05.18.250. Revocation of owner's license for delay.** The department
17 may revoke an owner's license if

18 (1) the licensee begins regular operations more than 12 months after
19 receiving the department's approval of the application for the license; and

20 (2) the department determines that the revocation of the license is in
21 the best interests of the state.

22 **Sec. 05.18.260. Renewal of owner's license; compliance investigations.** (a)
23 The owner's license may be renewed for an additional five-year period, provided that
24 the bond required under AS 05.18.220 remains in force, the annual license fees have
25 been paid in a timely fashion, and the requirements of this section are met.

26 (b) A licensed owner shall undergo a complete investigation by the
27 department every five years to determine whether the licensed owner remains in
28 compliance with this chapter.

29 (c) Notwithstanding (b) of this section, the department may investigate a
30 licensed owner at any time the department determines necessary to ensure that the
31 licensee remains in compliance with this chapter.

1 (d) The licensed owner shall bear the cost of an investigation or
 2 reinvestigation of the licensed owner and an investigation resulting from a potential
 3 transfer of ownership.

4 (e) An owner's license may be renewed only if, during the initial license
 5 period, the voters of the municipality in which the card room is located vote in favor
 6 of renewal of the license. A municipality in which a card room is located shall place
 7 the question on a general or special election ballot before the expiration of the initial
 8 license period asking the voters whether they favor or disfavor renewal of the license.

9 **Sec. 05.18.270. Schools for training occupational licensees.** This chapter
 10 does not prohibit a licensed owner from operating a school for the training of
 11 occupational licensees.

12 **Sec. 05.18.280. Nature of license.** An owner's license is a revocable privilege
 13 granted by the state and is not a property right.

14 **Sec. 05.18.290. Occupations requiring license.** The department shall
 15 determine the occupations related to card games and card rooms that require a license
 16 under this chapter. The department shall require that an individual applying for an
 17 occupational license may manage card operations for only one licensed owner.

18 **Sec. 05.18.300. Occupational license; requirements; fees; duration;**
 19 **renewal; compliance investigations.** (a) The department may issue an occupational
 20 license to an individual if

21 (1) the individual has applied for the occupational license and provided
 22 the information required under AS 05.18.130;

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

25 (3) the department has determined that the applicant is eligible for an
 26 occupational license; and

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

29 (b) A licensed owner or an applicant for an owner's license shall pay the
 30 application fee of an individual applying for an occupational license to work at the
 31 licensed owner's card operation and any renewal fees on behalf of an employee or

1 potential employee. The licensed owner or applicant for an owner's license may seek
 2 reimbursement of the application fee or annual license fee from an employee who is
 3 issued an occupational license by the department.

4 (c) A license issued under this section is valid for two years after the date of
 5 issuance.

6 (d) Unless an occupational license is suspended, expires, or is revoked by the
 7 department, the occupational license may be renewed biennially upon the payment of
 8 a license renewal fee by the licensed owner on behalf of the licensee, or by the
 9 licensee in an amount established by the department and a determination by the
 10 department that the licensee is in compliance with this chapter.

11 (e) The department may investigate the holder of an occupational license at
 12 any time the department determines necessary to ensure that the licensee is in
 13 compliance with this chapter.

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

19 **Sec. 05.18.310. Qualifications for occupational license.** The department
 20 may not issue an occupational license to an individual unless the individual

21 (1) is at least 21 years of age;

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

24 (3) has demonstrated a level of skill or knowledge that the department
 25 determines is necessary to operate card games; and

26 (4) has met standards of character and fitness adopted by the
 27 department for the holding of an occupational license.

28 **Sec. 05.18.320. Application for occupational license.** (a) An application for
 29 an occupational license shall be made on forms prescribed by the department and
 30 contain all information required by the department.

31 (b) An applicant for an occupational license shall provide the following

1 information in the application:

2 (1) a statement of whether the applicant has held any other licenses
3 related to card rooms;

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

6 (3) the applicant's age.

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

12 **Sec. 05.18.330. Restrictions on issuance of occupational license.** The
13 department may refuse to issue an occupational license to an individual who

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

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

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

18 (4) has not met standards of character and fitness adopted by the
19 department for the holding of an occupational license.

20 **Sec. 05.18.340. Suspension, revocation, or restriction of licenses.** The
21 department may suspend, revoke, or restrict an occupational licensee for

22 (1) a violation of this chapter;

23 (2) a cause that, if known to the department, would have disqualified
24 the applicant from receiving the occupational license;

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

26 or

27 (4) any other just cause.

28 **Sec. 05.18.350. Schools for training occupational licensees.** (a) This
29 chapter does not prohibit a licensed owner from entering into an agreement with a
30 school approved by the department for the training of an occupational licensee.

31 (b) Training offered by a school described in (a) of this section must be in

1 accordance with a written agreement between the licensed owner and the school and
2 approved by the department.

3 **Sec. 05.18.360. Training locations.** Training provided for occupational
4 licensees may be conducted in a card room or at a school with which a licensed owner
5 has entered into an agreement under this chapter.

6 **Sec. 05.18.370. Convicted felons; rehabilitation; waiver.** (a) An individual
7 applying for an occupational license who is disqualified under AS 05.18.310 due to a
8 conviction for a felony may apply to the department for a waiver of that
9 disqualification, and the department may issue a license to the person if the
10 department determines that the individual has demonstrated by clear and convincing
11 evidence the individual's rehabilitation.

12 (b) In determining whether the individual applying for the occupational
13 license has demonstrated rehabilitation under (a) of this section, the department shall
14 consider

15 (1) the nature and duties of the position for which the individual has
16 applied;

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

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

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

20 (5) the age of the individual when the offense or conduct was
21 committed;

22 (6) whether the offense or conduct was an isolated or a repeated
23 incident;

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

26 (8) evidence of rehabilitation, including good conduct in prison or in
27 the community, counseling or psychiatric treatment received, acquisition of additional
28 academic or vocational education, successful participation in a correctional work
29 release program, or the recommendation of a person who supervises or has supervised
30 the individual;

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

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

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

4 (B) after having considered the facts and circumstances, the
5 prospective employer will hire the individual if the department grants a waiver
6 of the requirements of this chapter.

7 (c) The department may not waive the requirements of this chapter for an
8 individual who has been convicted of committing any of the following:

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

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

12 (3) a felony of conspiracy to commit a felony of fraud, deceit, or
13 misrepresentation under the laws of this state or another jurisdiction.

14 **Article 4. Crimes.**

15 **Sec. 05.18.400. Crimes.** (a) A person commits a class A misdemeanor if the
16 person knowingly

17 (1) makes a false statement on an application submitted under this
18 chapter;

19 (2) operates a card operation in which wagering is conducted or is to
20 be conducted in a manner other than the manner required under this chapter;

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

22 (4) aids, induces, or causes a person under 21 years of age who is not
23 an employee of the card room to enter or attempt to enter the card room;

24 (5) makes a false statement on an application submitted to the
25 department under this chapter; or

26 (6) enters or attempts to enter a card room and is not an employee of
27 the card room and is under 21 years of age.

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

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

30 (A) to a person who is connected with the owner of a card
31 room, including an officer or an employee of a licensed owner or holder of an

1 occupational license; and

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

4 (i) the actions of the person to whom the offer, promise,
5 or gift was made in order to affect or attempt to affect the outcome of a
6 card game; or

7 (ii) an official action of the department;

8 (2) solicits, accepts, or receives a promise of anything of value or
9 benefit

10 (A) while the person is connected with a card room, including
11 an officer or employee of a licensed owner or a holder of an occupational
12 license; and

13 (B) under an agreement to influence or with the intent to
14 influence the actions of the person to affect or attempt to affect the outcome of
15 a card game or an official action of the department;

16 (3) uses, or possesses with the intent to use, a device to assist in
17 projecting the outcome of a card game;

18 (4) cheats at a card game;

19 (5) manufactures, sells, or distributes any cards, chips, or device that is
20 intended to be used to violate this chapter;

21 (6) alters or misrepresents the outcome of a card game on which
22 wagers have been made after the outcome is made sure but before the outcome is
23 revealed to the players;

24 (7) places a bet on the outcome of a card game after acquiring
25 knowledge that is not available to all players and that concerns the outcome of the card
26 game that is the subject of the bet;

27 (8) aids a person in acquiring the knowledge described in (7) of this
28 subsection for the purpose of placing a bet contingent on the outcome of a card game;

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

1 (10) claims, collects, or takes an amount of money or thing of value of
2 greater value than the amount won in a card game;

3 (11) uses or possesses counterfeit chips or tokens in or for use in a card
4 game;

5 (12) possesses a key or device designed for opening, entering, or
6 affecting the operation of a card game, a drop box, or an electronic or mechanical
7 device connected with the card game or removing coins, tokens, chips, or other
8 contents of a card game; this paragraph does not apply to a licensee or an employee of
9 a licensee acting in the course of the employee's employment;

10 (13) possesses materials intended to be used in a manner that violates
11 this chapter.

12 **Sec. 05.18.410. Possession of cheating devices; presumption.** The
13 possession of more than one of the devices described in AS 05.18.400(b) as cheating
14 devices creates a rebuttable presumption that the possessor intended to use the devices
15 for cheating.

16 **Article 5. General Provisions.**

17 **Sec. 05.18.500. State gaming fund.** There is created in the general fund the
18 state gaming fund. The state gaming fund consists of all revenue received from card
19 room activities under this chapter and all other money credited or transferred to the
20 fund from another fund or source.

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

22 (1) "card game" means a non-banking card game listed in
23 AS 05.18.010(b);

24 (2) "card operation" means the conduct of card games in a licensed
25 card room;

26 (3) "card room" means a structure in which card games authorized
27 under this chapter are conducted by an owner licensed under this chapter;

28 (4) "cheat" means to alter the selection of criteria that determine the
29 result of a card game or the amount or frequency of payment in a card game;

30 (5) "department" means the Department of Revenue;

31 (6) "gross receipts" means the total amount of money exchanged for

1 the purchase of chips or tokens by card room patrons;

2 (7) "intentionally" has the meaning given in AS 11.81.900;

3 (8) "knowingly" has the meaning given in AS 11.81.900;

4 (9) "license" means a license issued by the department under this
5 chapter;

6 (10) "licensed owner" means a person that owns a card room who is
7 licensed under this chapter;

8 (11) "licensee" means a person holding a license issued under this
9 chapter;

10 (12) "owner's license" means a license issued under this chapter that
11 allows a person to own and operate a card room.

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

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

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

23 (B) playing an amusement device that

24 (i) confers only an immediate right of replay not
25 exchangeable for something of value other than the privilege of
26 immediate replay; and

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

29 (C) an activity authorized by the Department of Revenue under
30 AS 05.15 or AS 05.18;

31 * **Sec. 4.** AS 44.64.030(a)(2) is amended to read:

1

(2) AS 05.15 and AS 05.18 (charitable gaming; card rooms);