

CS FOR SENATE BILL NO. 165(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/22/05

Referred: Judiciary, Finance

Sponsor(s): SENATOR COWDERY

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 and rake.** (a) The department shall determine the
12 maximum amount a player may wager in a card game. The department shall set the
13 maximum rake a licensed owner may collect from players in a card game for
14 providing a dealer, table, location for playing the card game, or other services related
15 to the card game.

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

18 (c) Only a player in a card game may place a wager relating to that game. A
19 player in a card game may not place a wager relating to that game on behalf of another
20 individual.

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

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

27 **Sec. 05.18.040. Persons under 21 years of age.** (a) A person who is under
28 21 years of age may not be present in a card room.

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

31 **Article 2. Administration.**

1 **Sec. 05.18.100. Administration, regulation, and enforcement.** (a) The
 2 department shall administer, regulate, and enforce the provisions of this chapter. The
 3 department

4 (1) shall have all powers and duties specified in this chapter;

5 (2) shall have all powers necessary to execute this chapter;

6 (3) shall exercise jurisdiction and supervision over the following:

7 (A) all authorized card operations in the state;

8 (B) all persons in card rooms where card operations are
 9 conducted;

10 (4) shall investigate and reinvestigate applicants and license holders
 11 and determine the eligibility of applicants for licenses and to require applicants and
 12 license holders to reimburse the department for the costs of the investigation and
 13 reinvestigation;

14 (5) shall select from among competing applicants the applicants that
 15 promote the most economic development and that best serve the interests of the
 16 citizens of the state;

17 (6) shall take appropriate administrative enforcement or disciplinary
 18 action against a licensee under this chapter that violates the provisions of this chapter;

19 (7) shall investigate alleged violations of this chapter;

20 (8) shall establish fees for the review and investigation of applications
 21 for the licenses that are authorized under this chapter;

22 (9) may conduct hearings;

23 (10) may issue subpoenas to compel the attendance of witnesses and
 24 subpoenas duces tecum for the production of books, records, and other relevant
 25 documents;

26 (11) may administer oaths and affirmations to witnesses;

27 (12) shall prescribe a form to be used by a licensed owner as an
 28 application for employment by potential employees of the card room and licensees of
 29 the department;

30 (13) may revoke, suspend, or renew licenses issued under this chapter;

31 (14) may hire employees to gather information, conduct investigations,

1 and carry out other tasks under this chapter;

2 (15) may take any appropriate action to enforce this chapter, including
3 the issuance of notices of violations of this chapter or regulations of the department,
4 orders to cease and desist, and closure orders;

5 (16) may adopt regulations for the implementation and enforcement of
6 this chapter;

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

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

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

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

19 **Sec. 05.18.110. Violations; fees; inspections.** (a) The department shall

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

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

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

27 **Sec. 05.18.120. Licensing.** (a) The department shall adopt standards for the
28 licensing of persons regulated under this chapter.

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

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

3 (d) An applicant for a license under this chapter shall provide the following
4 information to the department:

5 (1) the name, business address, and business telephone number of the
6 applicant;

7 (2) an identification of the applicant;

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

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

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

12 (C) the identity of

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

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

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

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

1 (A) the name and location of the court, the arresting agency,
2 and the prosecuting agency;

3 (B) the case number;

4 (C) the date and type of offense;

5 (D) the disposition of the charge;

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

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

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

16 (8) the name and business telephone number of the attorney who will
17 represent the applicant in matters before the department;

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

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

22 (A) an annual balance sheet;

23 (B) an annual income statement;

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

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

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

31 (f) A party aggrieved by an action of the department denying, suspending,

1 revoking, restricting, or refusing the renewal of a license may request a hearing before
2 the department. A request for a hearing must be made to the department in writing not
3 more than 10 days after service of notice of the action of the department.

4 (g) Except as provided in AS 05.18.170, the department shall serve notice of
5 the department's actions under this section on a party by personal delivery or by
6 certified mail. Notice served by certified mail is considered complete on the business
7 day following the date of the mailing.

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

10 **Sec. 05.18.130. Card room advisory board.** (a) The governor shall appoint
11 five individuals to serve on a card room advisory board. Appointments to the board
12 shall be for a period of five years.

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

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

18 **Sec. 05.18.140. Violations of chapter; fraudulent acts.** If a licensee or an
19 employee of a licensee violates this chapter or engages in a fraudulent act, the
20 department may

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

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

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

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

30 **Sec. 05.18.150. Investigative procedure; complaints.** (a) The department
31 shall review and make a determination on a complaint by a person who has been

1 issued an owner's license concerning an investigative procedure that the licensee
2 alleges is unnecessarily disruptive of card operations.

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

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

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

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

9 **Sec. 05.18.160. Transfer of licenses; rules of procedure; prohibitions.** (a)

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

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

21 **Sec. 05.18.170. Suspension of license without notice or hearing; revocation**

22 **of license.** (a) The department may suspend a license issued to the owner of a card
23 room without notice or hearing if the department determines that the safety or health
24 of patrons or employees would be threatened by the continued operation of the card
25 room. The opportunity for a hearing shall be provided within a reasonable time
26 following a suspension.

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

31 **Sec. 05.18.180. Department records.** (a) Notwithstanding any other law,

1 upon written request from a person, the department shall provide the following
2 information to the person:

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

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

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

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

11 **Article 3. Licenses.**

12 **Sec. 05.18.200. Owner's licenses.** (a) The department may issue to a person
13 a license to own a card room and conduct card games. If the population of a
14 municipality is less than 30,000, only one owner's license may be issued in the
15 municipality. If the population of a municipality is 30,000 or more, but less than
16 60,000, two owner's licenses may be issued in the municipality. If the population of a
17 municipality is 60,000 or more, a maximum of three owner's licenses may be issued in
18 the municipality. The department may not issue an owner's license for a card room in
19 a municipality with a population of less than 30,000 unless the municipality has
20 adopted an ordinance, ratified by a majority of the municipal voters voting on the
21 question, authorizing operation of a card room in the municipality.

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

24 (c) An applicant shall submit the following on forms provided by the
25 department:

26 (1) the information required under AS 05.18.120;

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

29 (3) if the applicant is not an individual, two sets of fingerprints for
30 each officer and director who will actively participate in the daily operation of the
31 business of the applicant.

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

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

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

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

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

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

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

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

21 **Sec. 05.18.210. Factors considered in granting owner's licenses.** In
 22 determining whether to grant an owner's license to an applicant, the department shall
 23 consider

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

25 (A) the applicant;

26 (B) a person that

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

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

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

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

31 (3) the good faith affirmative action plan of each applicant to recruit,

1 train, and upgrade minorities in all employment classifications;

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

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

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

8 **Sec. 05.18.220. Issuance of license; fee; bond.** (a) The department may
9 issue an owner's license to an eligible person if the person pays an initial license fee
10 and posts a bond as required in this section. The annual license fee is \$10,000 for each
11 card table. After a license has been issued, additional tables may be added for an
12 initial license fee of \$10,000 each; however, the full annual renewal fee for each table
13 must be paid on or before the anniversary of issuance of the owner's license,
14 regardless of when the table was added. The department may suspend or revoke a
15 license if the annual license fee is not paid in a timely fashion.

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

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

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

26 (e) If, following a hearing held after at least 15 days written notice, the
27 department determines that the amount of a licensed owner's bond is insufficient, the
28 licensed owner shall, upon written demand of the department, file a new bond.

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

31 (1) liability on the old bond is discharged or reduced by judgment

1 rendered, payment made, or otherwise; or

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

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

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

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

14 **Sec. 05.18.230. Tournaments.** The holder of an owner's license for a card
15 room shall host a card tournament at least once each calendar quarter, with the
16 proceeds of the tournament to be distributed to a nonprofit educational institution or
17 group designated by the owner. An application for issuance or renewal of an owner's
18 license must include proposed dates for the tournaments, and specify the nonprofit
19 educational institution or group designated to benefit from each tournament. The
20 licensed owner shall notify the department of any change in the date or beneficiary of
21 a tournament. A nonprofit educational institution or group may be the designated
22 beneficiary of only one tournament each year under this section.

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

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

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

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

31 **Sec. 05.18.260. Renewal of owner's license; compliance investigations.** (a)

1 The owner's license may be renewed for an additional five-year period, if the bond
2 required under AS 05.18.220 remains in force, the annual license fees have been paid
3 in a timely fashion, and the requirements of this section are met.

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

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

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

13 **Sec. 05.18.270. Schools for training occupational licensees.** This chapter
14 does not prohibit a licensed owner from operating a school for the training of
15 occupational licensees.

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

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

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

25 (1) the individual has applied for the occupational license and provided
26 the information required under AS 05.18.120;

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

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

31 (4) an annual license fee set by the department has been paid on behalf

1 of the applicant in accordance with (b) of this section.

2 (b) A licensed owner or an applicant for an owner's license shall pay the
3 application fee of an individual applying for an occupational license to work at the
4 licensed owner's card operation and any renewal fees on behalf of an employee or
5 potential employee. The licensed owner or applicant for an owner's license may seek
6 reimbursement of the application fee or annual license fee from an employee who is
7 issued an occupational license by the department.

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

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

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

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

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

- 25 (1) is at least 21 years of age;
- 26 (2) has not been convicted of a felony under the laws of this state, the
27 laws of another state, or the laws of the United States;
- 28 (3) has demonstrated a level of skill or knowledge that the department
29 determines is necessary to operate card games; and
- 30 (4) has met standards of character and fitness adopted by the
31 department for the holding of an occupational license.

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

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

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

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

10 (3) the applicant's age.

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

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

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

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

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

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

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

26 (1) a violation of this chapter;

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

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

30 or

31 (4) any other just cause.

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

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

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

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

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

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

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

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

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

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

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

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

30 (8) evidence of rehabilitation, including good conduct in prison or in
31 the community, counseling or psychiatric treatment received, acquisition of additional

1 academic or vocational education, successful participation in a correctional work
 2 release program, or the recommendation of a person who supervises or has supervised
 3 the individual;

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

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

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

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

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

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

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

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

18 **Article 4. Crimes.**

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

21 (1) makes a false statement on an application submitted under this
 22 chapter;

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

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

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

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

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

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

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

3 (A) to a person who is connected with the owner of a card
4 room, including an officer or an employee of a licensed owner or holder of an
5 occupational license; and

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

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

11 (ii) an official action of the department;

12 (2) solicits, accepts, or receives a promise of anything of value or
13 benefit

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

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

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

22 (4) cheats at a card game;

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

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

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

31 (8) aids a person in acquiring the knowledge described in (7) of this

1 subsection for the purpose of placing a bet contingent on the outcome of a card game;

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

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

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

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

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

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

20 **Article 5. General Provisions.**

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

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

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

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

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

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

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

4 (6) "gross receipts" means the total amount of money exchanged for
5 the purchase of chips or tokens by card room patrons;

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

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

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

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

12 (11) "licensee" means a person holding a license issued under this
13 chapter;

14 (12) "owner's license" means a license issued under this chapter that
15 allows a person to own and operate a card room;

16 (13) "player" means an individual actively participating in a card
17 game;

18 (14) "rake" means a set fee or percentage of the total amount wagered
19 by all players in a game in the course of that game.

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

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

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

31 (B) playing an amusement device that

1 (i) confers only an immediate right of replay not
2 exchangeable for something of value other than the privilege of
3 immediate replay; and

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

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

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

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