

**ALASKA STATE LEGISLATURE
SENATE JUDICIARY STANDING COMMITTEE**

May 5, 2005
8:43 a.m.

MEMBERS PRESENT

Senator Ralph Seekins, Chair
Senator Charlie Huggins, Vice Chair
Senator Gene Therriault
Senator Hollis French
Senator Gretchen Guess

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 74

"An Act making findings relating to marijuana use and possession; relating to marijuana and misconduct involving a controlled substance; and providing an effective date."

MOVED CSSB 74(JUD) OUT OF COMMITTEE

SENATE BILL NO. 165

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

HEARD AND HELD

CONFIRMATION HEARINGS:

The Commission on Judicial Conduct - Mr. Jerry Story
The Commission on Judicial Conduct - Ms. Ethel Staton
The Alaska Judicial Council - Ms. Cristina Williams
The Violent Crimes Compensation Board - Mr. Leroy J. Parker.

CONFIRMATIONS ADVANCED

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 53(FIN)

"An Act relating to child-in-need-of-aid proceedings; amending the construction of statutes pertaining to children in need of aid; relating to guardianships; relating to the confidentiality of investigations, court hearings, court records, and public agency records and information in child-in-need-of-aid matters and certain child protection matters, to immunity regarding disclosure of information in child-in-need-of-aid matters and certain child

protection matters, to proceedings regarding voluntary relinquishment and termination of a parent and child relationship, to eligibility for permanent fund dividends for certain children in the custody of the state, and to juvenile delinquency proceedings and placements; reestablishing and relating to a state citizens' review panel; amending the obligation of a public agency to disclose agency information pertaining to a child in need of aid; relating to disclosure of confidential or privileged information about children and families involved with children's services within the Department of Health and Social Services to officials for review or use in official capacities; relating to reports of harm and to adoptions and foster care; relating to consent for the medication of children in state custody; prescribing the rights of family members related to child-in-need-of-aid cases and establishing a familial priority for adoption; modifying adoption and placement procedures in certain child-in-need-of-aid cases; amending Rules 9 and 13, Alaska Adoption Rules, Rules 3, 17.2, 18, and 22, Alaska Child in Need of Aid Rules of Procedure, and Rules 14 and 15, Alaska Rules of Probate Procedure; and providing for an effective date."

SCHEDULED BUT NOT HEARD

CS FOR HOUSE BILL NO. 268(JUD)

"An Act relating to overtaking and passing certain stationary vehicles."

SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 74

SHORT TITLE: CRIMES INVOLVING MARIJUANA/OTHER DRUGS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/21/05	(S)	READ THE FIRST TIME - REFERRALS
01/21/05	(S)	HES, JUD, FIN
03/21/05	(S)	HES AT 1:30 PM BUTROVICH 205
03/21/05	(S)	Heard & Held
03/21/05	(S)	MINUTE(HES)
03/23/05	(S)	HES AT 1:30 PM BUTROVICH 205
03/23/05	(S)	Heard & Held
03/23/05	(S)	MINUTE(HES)
04/01/05	(S)	HES AT 1:30 PM BUTROVICH 205
04/01/05	(S)	Moved SB 74 Out of Committee
04/01/05	(S)	MINUTE(HES)
04/04/05	(S)	HES RPT 2DP 1DNP 1NR
04/04/05	(S)	DP: DYSON, WILKEN

04/04/05 (S) DNP: ELTON
 04/04/05 (S) NR: OLSON
 04/11/05 (S) JUD AT 8:00 AM BUTROVICH 205
 04/11/05 (S) Heard & Held
 04/11/05 (S) MINUTE(JUD)
 04/19/05 (S) JUD AT 8:30 AM BUTROVICH 205
 04/19/05 (S) Scheduled But Not Heard
 04/20/05 (S) JUD AT 8:30 AM BUTROVICH 205
 04/20/05 (S) Heard & Held
 04/20/05 (S) MINUTE(JUD)
 04/23/05 (S) JUD AT 4:00 PM BUTROVICH 205
 04/23/05 (S) -- Rescheduled from 04/22/05 --
 05/03/05 (S) JUD AT 8:30 AM BUTROVICH 205
 05/03/05 (S) Heard & Held
 05/03/05 (S) MINUTE(JUD)
 05/05/05 (S) JUD AT 8:30 AM BUTROVICH 205

BILL: SB 165

SHORT TITLE: CARD ROOMS & OPERATIONS

SPONSOR(s): SENATOR(s) COWDERY

04/08/05 (S) READ THE FIRST TIME - REFERRALS
 04/08/05 (S) L&C, FIN
 04/19/05 (S) L&C AT 1:30 PM BELTZ 211
 04/19/05 (S) Heard & Held
 04/19/05 (S) MINUTE(L&C)
 04/21/05 (S) L&C AT 1:30 PM BELTZ 211
 04/21/05 (S) Moved CSSB 165(L&C) Out of Committee
 04/21/05 (S) MINUTE(L&C)
 04/22/05 (S) L&C RPT CS 2DP 1NR 2AM SAME TITLE
 04/22/05 (S) DP: BUNDE, STEVENS B
 04/22/05 (S) NR: ELLIS
 04/22/05 (S) AM: DAVIS, SEEKINS
 04/22/05 (S) JUD REFERRAL ADDED AFTER L&C
 04/30/05 (S) JUD AT 9:00 AM BUTROVICH 205
 04/30/05 (S) Scheduled But Not Heard
 05/02/05 (S) JUD AT 8:30 AM BUTROVICH 205
 05/02/05 (S) Scheduled But Not Heard
 05/03/05 (S) JUD AT 8:30 AM BUTROVICH 205
 05/03/05 (S) Scheduled But Not Heard
 05/05/05 (S) JUD AT 8:30 AM BUTROVICH 205

WITNESS REGISTER

Dr. Timothy Hinterberger
 Anchorage, AK

POSITION STATEMENT: Testified in opposition to SB 74

Mr. Ryan Makinster
Staff to Senator John Cowdery
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced SB 165

Mr. Robert Hall, Fisherman
Houston, AK
POSITION STATEMENT: Testified in support of SB 165

Ms. Pat Rose, Psychiatric Nurse Retired
Anchorage, AK
POSITION STATEMENT: Testified in opposition of SB 165

Pastor Phillip Polk
Calgary Church
Anchorage, AK
POSITION STATEMENT: Testified in opposition of SB 165

Mr. Norman Lindsay
POSITION STATEMENT: Testified in opposition of SB 165

Ms. Norma Gott
Assembly of God Church
POSITION STATEMENT: Testified in opposition of SB 165

Mr. Jim Schultz
POSITION STATEMENT: Testified in opposition of SB 165

Mr. Chip Waggoner, Executive Director
Alaska Catholic Conference
Roman Catholic Church
Juneau, AK 99801
POSITION STATEMENT: Testified in opposition of SB 165

Mr. Larry Myers
Department of Revenue
PO Box 110400
Juneau, AK 99811-0400
POSITION STATEMENT: Commented on SB 165

ACTION NARRATIVE

CHAIR RALPH SEEKINS called the Senate Judiciary Standing Committee meeting to order at [8:43:51 AM](#). Present were Senators

Hollis French, Charlie Huggins, Gretchen Guess, and Chair Ralph Seekins.

SB 74-CRIMES INVOLVING MARIJUANA/OTHER DRUGS

[8:44:42 AM](#)

CHAIR RALPH SEEKINS announced SB 74 to be up for consideration.

DR. TIMOTHY HINTERBERGER, associate professor, University of Alaska Anchorage, testified on behalf of himself in opposition to SB 74. He read a previously prepared written statement, which is included in the bill packet.

[8:55:43 AM](#)

SENATOR CHARLIE HUGGINS asked Dr. Hinterberger to conclude his testimony.

DR. HINTERBERGER summarized his belief the findings were flawed and misrepresent scientific consensus.

[8:58:55 AM](#)

SENATOR HUGGINS asked Dr. Hinterberger to describe marijuana based on his expertise.

DR. HINTERBERGER said he would agree marijuana is a relatively benign drug. It is not completely harmless but it does not compare to harmful drugs.

SENATOR HUGGINS inquired of Dr. Hinterberger his advice to teenagers concerning marijuana.

DR. HINTERBERGER informed his advice would be to have solid scientific information on all substances they consume. The information given by the government is not accurate. It is exaggerated and not factual.

[9:02:41 AM](#)

CHAIR SEEKINS asked Dr. Hinterberger whether he was saying information from the White House Office on Drug Control Policy was inaccurate.

MR. HINTERBERGER asserted much of the information coming from the White House is skewed and inaccurate. They tend to ignore scientific review articles and scientific consensus.

CHAIR SEEKINS interrupted work on SB 74 to attend to other business.

CONFIRMATION HEARINGS

[9:11:11 AM](#)

CHAIR RALPH SEEKINS motioned to advance from committee the following nominations:

The Commission on Judicial Conduct - Mr. Jerry Story
The Commission on Judicial Conduct - Ms. Ethel Staton
The Alaska Judicial Council - Ms. Cristina Williams
The Violent Crimes Compensation Board - Mr. Leroy J. Parker. He stated that this does not reflect an intention that any member would vote for or against any of the nominees. The names are merely forwarded to the full legislative body for confirmation or rejection.

Hearing no objections, the motion carried.

[9:12:02 AM](#)

Senator Gene Therriault joined the committee.

SB 74-CRIMES INVOLVING MARIJUANA/OTHER DRUGS

CHAIR RALPH SEEKINS announced SB 74 to be up for consideration. He closed public testimony on SB 74 and moved Version \F as the working document before the committee.

SENATOR GRETCHEN GUESS objected for explanation of changes.

MR. DEAN GUANELI, chief assistant attorney general, Department of Law (DOL), advised the changes were in the revised findings. There was a slight change on Page 6, line 1, which makes the selling of less than one ounce a misdemeanor and selling more than an ounce a felony.

[9:15:35 AM](#)

Section 7 repeals Page 6 lines 3-6. The changes largely reflect suggestions made by Senator French.

SENATOR CHARLIE HUGGINS moved CSSB 74(JUD) from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

[9:17:25 AM](#)

SB 165-CARD ROOMS & OPERATIONS

[9:31:39 AM](#)

CHAIR RALPH SEEKINS announced SB 165 to be up for consideration.

MR. RYAN MAKINSTER, staff to Senator John Cowdery, introduced SB 165, which would allow card playing for money in the public arena. Under SB 165 card rooms would be limited unless expanded by a vote from Alaskan citizens.

[9:33:33 AM](#)

Bonds and application fees would apply so the state would not incur any burden. Underground games happen and there is crime associated with it.

[9:34:59 AM](#)

CHAIR SEEKINS asked whether a home was the only place where card games were legal.

MR. MAKINSTER said yes, if played for money.

CHAIR SEEKINS understood a game of poker was legal anywhere so long as the house doesn't take a rake.

MR. MAKINSTER alleged the statute says "in a home."

CHAIR SEEKINS asked whether SB 165 related to professional gambling.

MR. MAKINSTER speculated it would be a friendly game. SB 165 would be doing a service by providing a conduit for the games.

[9:36:31 AM](#)

CHAIR SEEKINS asked the amount of income a card table would be expected to bring in annually.

MR. MAKINSTER responded the average is \$90 gross per table per hour. Ten tables would bring about \$3 million a year.

[9:37:58 AM](#)

CHAIR SEEKINS asked who the proprietors would be.

MR. MAKINSTER anticipated they would be proprietors of current bars.

CHAIR SEEKINS asked the application process.

MR. MAKINSTER informed there would be a \$25,000 non-refundable fee to apply. The application process would be left to the Department of Revenue (DOR) through regulations. Factors would

be based on reputation and controlling interests. Also a person would have to put up a \$500,000 cash bond up front.

SENATOR HOLLIS FRENCH asked whether the bond would be supplied with the application or upon winning the permit.

MR. MAKINSTER responded after winning the permit. License would be granted before obligation of the cash bond.

SENATOR FRENCH asked whether a board would review the person's financial statement.

[9:39:38 AM](#)

MR. MAKINSTER advised the DOR would make the decision. The DOR would come up with a process to determine who is best suited to be licensed.

SENATOR FRENCH asked whether there would be a public comment period during the process.

[9:41:07 AM](#)

MR. MAKINSTER said that would be up to the DOR.

SENATOR GRETCHEN GUESS asked the number of cribbage establishments that would put up \$10,000 per table. She asked the reason SB 165 doesn't simply deal with poker.

MR. MAKINSTER advised other states have added games besides poker. He claimed people do play cribbage for money.

SENATOR GUESS asked the definition of a "non-banking" card game.

[9:43:04 AM](#)

MR. MAKINSTER explained it is a game not played against the house.

CHAIR SEEKINS asked who the owners of card rooms are in Washington and Oregon.

MR. MAKINSTER implied various sorts of people.

CHAIR SEEKINS asked whether other states had the same application fee.

MR. MAKINSTER responded no.

CHAIR SEEKINS said he did not know any bar owners who have that kind of money. He anticipated the card room owners would be professional gamblers.

MR. MAKINSTER agreed.

[9:44:42 AM](#)

CHAIR SEEKINS stated SB 165 would virtually be opening the state to professional gambling. He asked the name of a prospective owner.

MR. MAKINSTER indicated a Mr. Perry Green.

CHAIR SEEKINS speculated Mr. Green has financial backers from out of state.

SENATOR JOHN COWDERY commented Alaskans should control a percentage of the license.

CHAIR SEEKINS said that would be at the discretion of the DOR. He inquired whether the hourly wage and the house rake should be set in statute.

MR. MAKINSTER responded it should be fluid.

[9:47:27 AM](#)

SENATOR FRENCH commented there are different ways to determine the rake.

[9:48:45 AM](#)

CHAIR SEEKINS asked Mr. Makinster whether he has seen the House companion bill.

MR. MAKINSTER advised it was similar to SB 165.

CHAIR SEEKINS asked whether the sponsor has researched the sociological effect of card rooms.

MR. MAKINSTER alleged there is no study dealing specifically with card rooms.

[9:50:30 AM](#)

CHAIR SEEKINS asked whether card rooms in Washington are restricted to class 2 card games.

MR. MAKINSTER said no. The Gambling Commission allowed bank games to occur and card rooms to compete. Poker and blackjack are allowed but no casino games such as slot machines.

SENATOR FRENCH asked whether bank games in Washington were statewide or limited to reservations.

MR. MAKINSTER replied statewide on a limited basis.

[9:52:41 AM](#)

SENATOR THERRIAULT asked Mr. Makinster to describe current Anchorage card rooms.

MR. MAKINSTER advised some bars have card tournaments.

[9:55:56 AM](#)

SENATOR GUESS asked the limit of card rooms that SB 165 proposes.

MR. MAKINSTER said three.

SENATOR GUESS asked the amount of illegal gambling SB 165 would stop.

MR. MAKINSTER did not know. He assumed people would rather play in a safe environment.

[9:58:20 AM](#)

SENATOR GUESS asked whether there would be security in the card rooms.

MR. MAKINSTER said it is in the best interest of the card room to provide security.

CHAIR SEEKINS expressed concern about big gambling from Las Vegas entering Alaska.

[10:00:45 AM](#)

SENATOR HUGGINS asked Mr. Makinster to address the fears of his constituents and to comment on Indian gaming.

[10:03:51 AM](#)

MR. MAKINSTER advised SB 165 would not be full on gambling. Poker is a slow paced methodical game. Mobsters ran Las Vegas so the crime rate was higher, he alleged. Opinions from the Indian Gaming Commission find the games listed on SB 165 are class 2 and would not open the door to class 3 gaming.

[10:06:45 AM](#)

MR. ROBERT HALL, fisherman, testified in support of SB 165. People already play on the Internet. He supports a strong gaming authority. Locals would join together and put together a game room.

[10:08:47 AM](#)

MS. PAT ROSE, retired psychiatric nurse, testified in opposition of SB 165. Gambling can be addictive and it is heartbreaking to families. The move to innocent card games is a foot in the door to bigger operations in the future.

[10:10:23 AM](#)

PASTOR PHILLIP POLK, Calgary Church, Anchorage, testified in opposition of SB 165. He asserted any gaming license that requires such a large fee is not small business. SB 165 would promote greed throughout the state.

[10:12:35 AM](#)

PASTOR NORMAN LINDSAY, Assembly of God, testified in opposition to SB 165. He noted no one has spoken yet in regard to the devastation to individuals who are adversely affected by gambling. SB 165 would open the door to big time gambling.

SENATOR FRENCH asked Pastor Lindsay whether his church sponsored lotteries, raffles, or bingo games.

MR. LINDSAY said no.

[10:14:46 AM](#)

MS. NORMA GOTT, Assembly of God, testified in opposition of SB 165. She shared her experience of growing up with a father who played poker on a regular basis. It was devastating to the family. Studies prove that when gambling was legalized in Iowa crime skyrocketed.

CHAIR SEEKINS asked Ms. Gott whether her church sponsors lotteries, raffles, or bingo games.

MS. GOTT said no.

[10:16:43 AM](#)

MR. JIM SCHULTZ, Anchorage resident, testified in opposition to SB 165. The negative impact that legalized gambling would have on the State of Alaska would be devastating.

[10:18:31 AM](#)

MR. CHIP WAGGONER, executive director, Alaska Catholic Conference, testified in opposition of SB 165. He asked Mr. Myers whether betting games in bars were currently legal.

MR. LARRY MYERS, Alaska Department of Revenue (DOR), answered the current games are missing one element of gambling and that is consideration and so they are legal. "Consideration" means an entry fee, a game of chance, and a prize.

[10:20:11 AM](#)

CHAIR SEEKINS asked whether there was a definition of personal residence in the statutes.

MR. MYERS responded AS 11.66.280 contains the definition.

[10:22:17 AM](#)

MR. WAGGONER disputed testimony by the sponsor that SB 165 addresses friendly games. SB 165 takes Alaska into commercial gaming enterprises. The rooms will be designed to entice people to gamble all of their money. There is no evidence or research to prove SB 165 would result in less crime or less illegal gambling, rather it would increase crime. SB 165 would hurt Alaskans and the state does not have the money to deal with all the problems the bill would create.

[10:24:38 AM](#)

Card rooms add fuel to the fire to those who have susceptibility to becoming addicted. The American Psychiatric Association classifies pathological gambling as an impulse control disorder.

[10:26:37 AM](#)

The American Research Council review on pathological gambling agrees that pathological gamblers engage in destructive behaviors. They commit crimes, run up large debts, damage relationships with family and friends, and they commit suicide.

[10:28:13 AM](#)

CHAIR SEEKINS held SB 165 in committee.

There being no further business to come before the committee, Chair Seekins adjourned the meeting at [10:29:19 AM](#).