

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 7, 2009

8:04 a.m.

MEMBERS PRESENT

Representative Bob Herron, Co-Chair
Representative Cathy Engstrom Munoz, Co-Chair
Representative John Harris
Representative Wes Keller
Representative Charisse Millett
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Kyle Johansen

COMMITTEE CALENDAR

SENATE BILL NO. 3

"An Act authorizing an Alaska regional development organization to use the Alaska Commercial Fisheries Entry Commission as an informational resource."

-MOVED OUT OF COMMITTEE

HOUSE BILL NO. 208

"An Act relating to taxes for certain activities on large passenger ships; and providing for an effective date."

-HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 3

SHORT TITLE: CFEC AS INFORMATION RESOURCE

SPONSOR(S): SENATOR(S) OLSON

| | | |
|----------|-----|---------------------------------|
| 01/21/09 | (S) | READ THE FIRST TIME - REFERRALS |
| 01/21/09 | (S) | CRA, RES |
| 01/21/09 | (S) | PREFILE RELEASED 1/9/09 |

02/05/09 (S) CRA AT 3:30 PM BELTZ 211
02/05/09 (S) Moved SB 3 Out of Committee
02/05/09 (S) MINUTE(CRA)
02/06/09 (S) NR: OLSON, KOOKESH
02/06/09 (S) CRA RPT 3DP 2NR
02/06/09 (S) DP: FRENCH, THOMAS, MENARD
03/02/09 (S) RES AT 4:30 PM BUTROVICH 205
03/02/09 (S) Moved SB 3 Out of Committee
03/02/09 (S) MINUTE(RES)
03/03/09 (S) RES RPT 5DP
03/03/09 (S) DP: MCGUIRE, WIELECHOWSKI, STEVENS,
STEDMAN, FRENCH
03/18/09 (S) OLSON CHANGED NR TO DP ON 2/6 CRA
REPORT
03/18/09 (S) VERSION: SB 3
03/18/09 (S) TRANSMITTED TO (H)
03/23/09 (H) READ THE FIRST TIME - REFERRALS
03/23/09 (H) FSH, CRA, FIN
03/31/09 (H) FSH AT 10:15 AM BARNES 124
03/31/09 (H) Moved Out of Committee
03/31/09 (H) MINUTE(FSH)
04/01/09 (H) NR: JOHNSON, MILLETT
04/01/09 (H) FSH RPT 4DP 2NR
04/01/09 (H) DP: KELLER, BUCH, MUNOZ, EDGMON
04/07/09 (H) CRA AT 8:00 AM BARNES 124

BILL: HB 208

SHORT TITLE: CRUISE SHIP GAMBLING TAXES

SPONSOR(s): REPRESENTATIVE(s) CRAWFORD

03/27/09 (H) READ THE FIRST TIME - REFERRALS
03/27/09 (H) CRA, L&C, FIN
04/07/09 (H) CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

TIM BENINTENDI, Staff
Senator Donny Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 3 on behalf of the sponsor,
Senator Olson.

FRANK HOMAN, Chairman/Commissioner
Commercial Fisheries Entry Commission
Alaska Department of Fish & Game (ADF&G)
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 3.

REPRESENTATIVE HARRY CRAWFORD
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of HB 208.

KEN ALPER, Staff
Representative Harry Crawford
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 208, answered questions.

JOHANNA BALES, Deputy Director
Anchorage Office
Tax Division
Department of Revenue
Anchorage, Alaska

POSITION STATEMENT: Provided information on HB 208 and offered to work with the sponsor.

ACTION NARRATIVE

[8:04:20 AM](#)

CO-CHAIR CATHY ENGSTROM MUNOZ called the House Community and Regional Affairs Standing Committee meeting to order at 8:04 a.m. Representatives Munoz, Herron, Keller, and Gardner were present at the call to order. Representatives Millet and Cissna arrived as the meeting was in progress. Also in attendance was Representative Johansen.

SB 3-CFEC AS INFORMATION RESOURCE

[8:04:33 AM](#)

CO-CHAIR MUNOZ announced that the first order of business would be SENATE BILL NO. 3, "An Act authorizing an Alaska regional development organization to use the Alaska Commercial Fisheries Entry Commission as an informational resource."

[8:05:04 AM](#)

TIM BENINTENDI, Staff, Senator Donny Olson, Alaska State Legislature, speaking on behalf of the sponsor, explained that

SB 3 would benefit the state's economic development organizations, Alaska Regional Development Organizations (ARDORs), by simply allowing them to obtain public information from the Commercial Fisheries Entry Commission (CFEC). The intent of SB 3 is to simply provide CFEC available public information without charge. Under AS 16.05.815, no confidential information would be made available. Mr. Benintendi highlighted that the information would be of special benefit to the eight ARDORs for which commercial fishery activities are a significant portion of their economy. Furthermore, the information would help these eight ARDORs anticipate regional economic trends and development opportunities. The CFEC supports SB 3 and believes the loss of fees is negligible. The legislation has two zero fiscal notes, he noted.

[8:06:31 AM](#)

REPRESENTATIVE GARDNER questioned whether the intent of SB 3 requires legislation or is just a policy call for the CFEC. She then related her understanding that all the information the CFEC gathers is public information.

MR. BENINTENDI explained that by law agencies are required to charge fees for certain public documents, and thus it's necessary to do this in statute in order for the CFEC to be able to give away information. Furthermore, everything contained in CFEC isn't public information as some issues, such a fishery information from specific permit holders, would include personal information of a particular fisherman.

REPRESENTATIVE GARDNER then asked if the CFEC's information, beyond the confidential information, is public information.

MR. BENINTENDI deferred to other witness, and pointed out that SB 3 only allows the ARDORs to receive public information without paying a fee because of tight budgets.

CO-CHAIR HERRON, noting that the backup refers to the fees as negligible, inquired as to what is negligible.

MR. BENINTENDI answered that he has been told by CFEC that the fees amount to less than \$10,000 per year.

[8:09:25 AM](#)

FRANK HOMAN, Chairman/Commissioner, Commercial Fisheries Entry Commission, Alaska Department of Fish & Game (ADF&G), related

support for SB 3. He explained that SB 3 is necessary in order to get around the statute specifying that agencies shall charge a fee for the production of information. The ARDORs, he further explained, were created to help stimulate business in the region and most often operate on a shoe string. This legislation would provide ARDORs with available public information from CFEC without charge. Typically, ARDORs have requested sorting data in a manner that's specific to the ARDOR's region, which would require an analyst or programmer to sort out the data. Therefore, the request could cost a few hundred to a few thousand dollars depending on the depth of the request. However, since there are only about a dozen ARDORs and only eight to nine of them are coastal, CFEC doesn't expect [providing this information for free] to be a major financial burden. He clarified that the CFEC doesn't perform economic analysis for the ARDOR, it merely provides the information on the ARDOR's region.

[8:13:07 AM](#)

REPRESENTATIVE HARRIS related his understanding that ARDORs and CFEC are both sanctioned or authorized by the state.

MR. HOMAN noted his agreement, adding that both ARDORs and the CFEC are established by the legislature. In further response to Representative Harris, Mr. Homan related his understanding that ARDORs receive some state funding each year while the CFEC receives funding from licensing fees, which are authorized by the legislature.

REPRESENTATIVE HARRIS characterized what SB 3 proposes as a common sense matter. He asked if it's the fee that's the issue.

MR. HOMAN responded that's essentially correct, reiterating the existence of the statute that specifies agencies will charge a fee for information they have to develop.

[8:15:32 AM](#)

MR. HOMAN reiterated that SB 3 doesn't allow any release of confidential information from individual fish tickets.

[8:16:43 AM](#)

CO-CHAIR MUNOZ, upon determining no one else wished to testify, closed public testimony.

8:16:52 AM

CO-CHAIR HERRON moved to report SB 3 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

The committee took a brief at-ease.

HB 208-CRUISE SHIP GAMBLING TAXES

8:19:25 AM

CO-CHAIR MUNOZ announced that the final order of business would be HOUSE BILL NO. 208, "An Act relating to taxes for certain activities on large passenger ships; and providing for an effective date."

8:19:38 AM

REPRESENTATIVE HARRY CRAWFORD, Alaska State Legislature, speaking as the sponsor of HB 208, began by reminding the committee that Alaska has chosen not to allow gambling. However, the 2006 Cruise Ship Initiative seems to provide a back door to allow gaming in the state by way of taxing the gambling that occurs on cruise ships in state waters. In 1995 the legislature banned Monte Carlo nights, which were viewed as a back door attempt to [allow] Indian gaming, Class 2 and Class 3 gaming. Representative Crawford then directed attention to the document entitled, "Why We Need HB 208; A Brief Legal History," and from it read the following [original punctuation provided]:

In the section of the IGRA [Indian Gaming Regulatory Act of 1988] dealing with Class 3 gaming, it specifies that a state-tribal compact must allow a particular sort of gambling if the state **"permits such gaming for any purpose by any person, organization, or entity."** This language was used by the Mashantucket Pequot Tribe of Connecticut, who in 1992 expanded their small bingo hall into the Foxwoods Casino. Connecticut, at the time, allowed non-profit "Monte Carlo Nights." Foxwoods is now the third largest casino in the world.

In 1995, the Alaska Legislature banned non-profit "Monte Carlo Nights," largely in fear of the same sort of development here. Fur Rendezvous had previously run a large Monte Carlo night as a fundraiser.

With the exception of cruise ships operating offshore under federal law, there is no legal authority for any casino-style gambling in Alaska, whether for-profit or non-profit. The state's taxation of cruise ship gambling creates a potentially dangerous loophole.

REPRESENTATIVE CRAWFORD acknowledged that taxing cruise ship gambling, per the initiative, would bring in \$6.2 million worth of revenue to the state. However, he related his belief that even the sponsors of the initiative didn't think about the ramifications of it. Furthermore, he opined that the state simply can't afford to allow gambling in the state.

[8:23:45 AM](#)

REPRESENTATIVE MILLETT related her understanding that HB 208 addresses an initiative approved by the people.

REPRESENTATIVE CRAWFORD confirmed that to be the case, adding that since it was an initiative he waited the two years before trying to change anything in the initiative.

REPRESENTATIVE MILLETT recalled that the proposed change in HB 208 would be the fourth change to the initiative. She specified that the following portions of the initiative have been changed: the Ocean Ranger program, disclosures, gambling tax, and discharge.

[8:24:37 AM](#)

KEN ALPER, Staff, Representative Harry Crawford, Alaska State Legislature, specified that the only legislation changing the initiative that has passed was House Bill 217 in 2008. The other three proposed changes to the initiative are pending, but could result in substantial changes.

[8:25:03 AM](#)

REPRESENTATIVE MILLETT inquired as to the sponsor's thoughts regarding whether initiatives are properly vetted and allow enough open dialogue. She recalled that the initiative was about a head tax.

REPRESENTATIVE CRAWFORD remarked that the initiative was about more than a head tax as it had six major provisions. He further remarked that although he believes in initiatives, he acknowledged that some initiatives are written better than

others. Therefore, the two-year ban on changing initiatives affords the ability to see how the initiative works after which necessary changes can be proposed.

[8:27:02 AM](#)

REPRESENTATIVE MILLETT surmised then that Representative Crawford supports changing initiatives through the legislative process after two years.

REPRESENTATIVE CRAWFORD responded, "If they need to be changed; ... that's what the two-year trial run is about is ... putting it into effect and seeing if it, in fact, does work the way people intended." He reminded the committee that the legislature passes laws that have unintended consequences requiring the passage of more legislation to address those.

[8:27:57 AM](#)

REPRESENTATIVE MILLETT inquired as to whether the sponsor would support a more public process with hearings, including legislative hearings.

REPRESENTATIVE CRAWFORD related his experience with initiatives, and noted that he has always introduced legislation on the initiative topic in order to have hearings. However, he pointed out that most often the legislature hasn't granted hearings for his legislation. Therefore, the initiative process allows good ideas to move forward and not become embroiled in a legislative process [in which] corporate interests place an inordinate amount of power and pressure on the legislature.

[8:29:00 AM](#)

REPRESENTATIVE MILLETT noted her agreement that there is much influence on initiatives, and therefore suggested that it would be best to have more public disclosure and meetings on initiatives.

REPRESENTATIVE CRAWFORD clarified that he was referring to the inordinate amount of pressure companies place on the legislature. However, when one is discussing the entire state, the power of the corporate entity is diffused and the people of the state can act through initiatives.

[8:30:20 AM](#)

REPRESENTATIVE GARDNER requested that the discussion be kept to the topic of HB 208.

8:30:28 AM

REPRESENTATIVE MILLETT surmised then that Representative Crawford believes that there aren't corporate influences on initiatives, but there are on legislation.

REPRESENTATIVE CRAWFORD reminded the committee that initiatives come from the people versus corporations.

8:31:30 AM

REPRESENTATIVE HARRIS recalled passed legislation sponsored by Senator Elton that exempted smaller cruise ships from the original 2006 initiative. He related his understanding that the sponsor is concerned that any indication that the state supports gaming would lead the federal courts to rule in favor of allowing organized gaming in the state.

REPRESENTATIVE CRAWFORD replied yes, adding that there are several instances in which states that barely cracked the door to gaming ultimately ended up with Indian casinos. He provided an example of such in Louisiana.

8:34:12 AM

REPRESENTATIVE HARRIS related his understanding that there are three entities in the state that are classified as tribes and as such would qualify for Indian gaming, as is the case in other states.

REPRESENTATIVE CRAWFORD deferred to Mr. Alper, but noted that the Eklutna Indians have applied for status to have a casino on its land outside of Anchorage. He suggested that perhaps they applied to the federal government for that status.

MR. ALPER opined that the definition is potentially much broader [than only those tribal entities] as it refers to any land that's held communally by a tribal entity and in trust by the federal government. In the Lower 48, the aforementioned mainly applies to reservations. However, in Alaska there's a lot of Indian Reorganization Act (IRA) owned land that could possibly fit into this. The limitation is that any Class 3 gaming has to fall under state tribal compact and there are requirements as to what has to be included in those compacts. Because Alaska

doesn't allow slots and casino-type gambling in any other form, there hasn't yet been a legal precedent to force anyone to allow any of these casinos to enter Alaska. The concern, he related, is that by taxing gambling on cruise ships [in Alaska's waters] that it could be interpreted that the state is indirectly allowing, permitting, or accepting gambling. He acknowledged that Alaska does allow the Nenana Ice Classic and other such gaming, and under the gaming for any purpose or person clause theoretically one could open a casino where nothing but betting on vegetable size would occur.

[8:37:10 AM](#)

CO-CHAIR HERRON inquired as to whether the initiative had any [out-of-state] influences.

REPRESENTATIVE CRAWFORD, clarifying that he wasn't part of the initiative, said that he wasn't aware of any [out-of-state] backers. He recalled that the sponsors of the initiative live in Juneau and Haines.

CO-CHAIR HERRON recalled that the focus of the initiative was the head tax and the discharge aspect. Therefore, he asked whether Representative Crawford was aware of the gambling provision in the initiative at the time [of the initiative].

REPRESENTATIVE CRAWFORD replied yes.

CO-CHAIR HERRON surmised then that this legislation is preemptive in that it seeks to close a loophole due to the fear that the gambling provision will lead to a Class 3 casino being opened in the state. He asked if any interest has been expressed in such, beyond that expressed by Eklutna.

REPRESENTATIVE CRAWFORD confirmed that he had heard that Eklutna was interested in gambling. He then related that he has heard rumors that Metlakatla may be interested [in gambling] as well. He reiterated that this legislation is similar to the 1995 legislation that closed the door on Monte Carlo nights.

[8:39:50 AM](#)

REPRESENTATIVE HARRIS relayed that Metlakatla may be [allowing gambling] now.

REPRESENTATIVE CRAWFORD said that he has heard that Metlakatla has video machines, but they're not open to the public.

8:40:16 AM

CO-CHAIR HERRON inquired as to the danger of [taxing gambling on cruise ships in Alaska's waters]. He further inquired as to the social ills HB 208 will prevent.

REPRESENTATIVE CRAWFORD answered that [one of the dangers of gambling] is suicide. He related that where there is for-profit gambling, the statistics increase for suicide, foreclosures, bankruptcies, alcoholism, child abuse, etc. He informed the committee that a few studies in South Dakota and South Carolina have found that for every \$1 collected in gambling taxes, the state spends \$3 on social ills. Only Las Vegas and a town in south Mississippi make a net profit from gambling. He related the situation in Shreveport, Louisiana, where casinos came in and said they would provide a tax base after the factories had left. However, after the casinos had been in operation for about 10 years, they requested their taxes be cut in half or they would have to leave. The city cut the taxes in half for the casinos. Representative Crawford indicated his belief that the casinos would likely request taxes be cut in half again, in the near future. "It's a fool's paradise opening up to gambling," he opined.

8:43:32 AM

REPRESENTATIVE CISSNA recalled that a number of pieces of legislation related to the excise tax on [cruise ship passengers]. Therefore, when the initiative came into existence, the excise tax and discharge standards were the two aspects of the initiative that she noticed rather than the portion of the initiative related to the gambling tax. Representative Cissna indicated concern with regard to the possible behavioral impacts of gambling, which are particularly important to consider in terms of the current economic situation. She said she is opposed to gambling and would favor something similar to HB 208. She then asked if the sponsor has heard from folks who were aware of the gambling portion of the initiative.

REPRESENTATIVE CRAWFORD recalled that it was a little discussed provision of the initiative. He suggested that the majority of Alaskans thought the initiative was only about the head tax and ocean rangers since those were the major issues in the headlines.

[8:47:09 AM](#)

CO-CHAIR MUNOZ asked if the original sponsors recognize the gambling provision as a flaw.

REPRESENTATIVE CRAWFORD, recalling a conversation with one of the sponsors, related that the thought of the sponsor was that the gambling provision wouldn't be problematic because it's under federal law. However, Representative Crawford opined that he's concerned because it's a gray area.

MR. ALPER pointed out that if the majority of the legislature and the governor wanted to allow casino gambling, it could. The situation in Connecticut was one in which the legislature was preempted by a lawsuit based upon a minor loophole having to do with a charitable event. The legislation before the committee, HB 208, attempts to close the possibility of the aforementioned. "It seems reasonable that this loophole is large enough to allow such a thing, and why would you take that sort of power away from yourselves and subject Alaska to something unknown when its sort of slipped in that way," he said.

[8:48:28 AM](#)

CO-CHAIR MUNOZ inquired as to whether the sponsors of the initiative support the direction of HB 208.

REPRESENTATIVE CRAWFORD related that the sponsors have said to go ahead with HB 208 and that they wouldn't try and change it.

[8:48:59 AM](#)

CO-CHAIR HERRON inquired as to what happens to casino facilities on ships without a tax generator in the statutes.

REPRESENTATIVE CRAWFORD answered that those facilities will continue as they did prior to the initiative. In further response to Co-Chair Herron, Representative Crawford likened HB 208 to the 1995 legislation closing the loophole on Monte Carlo nights. He expressed the need to close the loophole before something happens.

MR. ALPER informed the committee that a proposal to open a casino in Klawock was dropped after passage of the 1995 legislation banning Monte Carlo nights.

[8:50:58 AM](#)

REPRESENTATIVE MILLETT asked if HB 208 will close the gaming loophole or only the collection of tax on gaming in state waters.

REPRESENTATIVE CRAWFORD clarified that HB 208 addresses only the tax collection portion because gambling on state waters is allowed under federal law. The legislation would remove the collection of the tax in order to close the loophole for any expansion throughout the state.

REPRESENTATIVE MILLET surmised then that gaming in state waters can still occur; HB 208 would only end the collection of the tax. She asked if the aforementioned is because of an overriding federal law regarding gaming in state waters.

REPRESENTATIVE CRAWFORD noted his agreement.

[8:52:02 AM](#)

REPRESENTATIVE GARDNER opined that the cruise ship industry should support HB 208 because it doesn't impact their current operations and they can keep the funds rather than pay taxes. She inquired as to why the cruise ship industry isn't present testifying on this legislation.

REPRESENTATIVE CRAWFORD said that he hasn't talked with the cruise ship industry.

[8:52:49 AM](#)

REPRESENTATIVE HARRIS opined that the worst ill in this country is alcoholism. Furthermore, the reality in Alaska is that there is already an awful lot of illegal gambling in the state, gambling from which the state just doesn't receive taxes. He then highlighted that gaming was once a large part of Alaska. Representative Harris discussed situations when jobs are needed and people who have money are willing to spend it, and opined that in such situations [jobs such as those in the gaming industry are created]. He pointed out that if gaming was eliminated in Nevada, unemployment would be huge as would foreclosures and many other issues. He acknowledged that there are ills with gaming, but opined that there are ills with everything. If the attitude reaches the point of no gaming anywhere, there will be large unemployment and other ramifications.

[8:57:22 AM](#)

REPRESENTATIVE CISSNA highlighted that Alaska is currently dependent on oil and gas and thus impacted by the decrease in price and production of oil and gas. She stressed that there are lots of other ways to make money besides gambling, although it takes creativity to do so. Representative Cissna challenged the negative ways in which the state and its citizens earn money and encouraged focus on more positive ways to earn money. "We don't need to make our money off the misfortunes of others," she opined.

[9:01:09 AM](#)

JOHANNA BALES, Deputy Director, Anchorage Office, Tax Division, Department of Revenue, informed the committee that when this initiative passed in 2006, the Department of Revenue (DOR) discussed the gaming issue with the Department of Law. At that time, DOR didn't believe that the mere fact of taxing an activity made it legal. For instance, although prostitution is illegal in most states, the Internal Revenue System (IRS) will tax income from that activity. Still, taxing that activity doesn't make it legal, she said. Ms. Bales offered to work with the sponsor in order to ensure that DOR's research is current and that there are no court cases that would open the door to gambling in Alaska by virtue of taxing it. She then explained that although federal law recognizes that Alaska law doesn't permit gambling in the state, for certain vessels Alaska isn't allowed to make gambling illegal. Furthermore, the gambling activities can't be conducted within three miles of a port. Recalling discussions with the initiative sponsors after its passage, she came to understand they were concerned that some vessels in Alaska aren't allowed to conduct gambling while out-of-state vessels stopping in Alaska's ports are allowed to conduct gambling. Therefore, the initiative sponsors wanted to tax that gambling activity. She closed by stating that DOR and the Department of Law are both willing to work with Representative Crawford.

[9:04:33 AM](#)

REPRESENTATIVE CRAWFORD remarked, "The court case that we're most worried about is the one that hasn't happened yet and that might happen because of this situation that we have here." He echoed his earlier statement that the [taxing gambling provision] is a grey area that a few entities have expressed interest in having a decision in the courts. He reiterated his

desire to close the loophole. In the two areas where revenue generated from gambling has produced a net gain it's because there is a large influx of people who come to gamble. However, in other areas with gambling, such as Shreveport, the locals gamble, the local economy declines, and the revenue generated from gambling produces a net loss. Representative Crawford stressed that he will fight as long as he can to ensure there is no expansion of gambling in Alaska because the state can't afford it.

[9:07:24 AM](#)

REPRESENTATIVE HARRIS asked if manufacturing in Shreveport left because gaming came in.

REPRESENTATIVE CRAWFORD replied no, adding that telephone manufacturing and steel manufacturing left Shreveport because it could have its work done more cheaply [elsewhere in the country). Industries related to the steel mill left and oil and gas was becoming depleted.

REPRESENTATIVE HARRIS surmised then that things would've been much worse in Shreveport without gaming.

REPRESENTATIVE CRAWFORD answered that if nothing had come in to Shreveport, then people would've continued to leave. Gambling was brought in because the industry was eager to come in. For the time of construction, the economy expanded. However, now that no construction is occurring, the economy is shrinking and gambling is taking all the disposable income of the area. Therefore, the area is becoming more depressed.

[9:10:15 AM](#)

CO-CHAIR MUNOZ informed the committee that the co-chairs would like to continue working on HB 208, and there will be another hearing next week. Co-Chair Munoz encouraged the sponsor to consult with DOR and DOL, per Ms. Bales' suggestion.

[9:10:38 AM](#)

CO-CHAIR HERRON characterized it as interesting that initiative sponsors aren't present. He expressed concern with closing the revenue stream in place for gambling on board cruise ships. Co-Chair Herron then questioned: "Are we playing around with initiatives?" With regard to whether the provision creates a loophole, Co-Chair Herron opined that a loophole can always be

found. He then posed the possibility that perhaps gambling is an alternative for Alaskans.

[9:13:02 AM](#)

REPRESENTATIVE CRAWFORD stressed that HB 208 isn't about initiatives, rather it's only closing a loophole. He then said that if there's the desire to have for-profit gambling in Alaska, then legislation to that effect should be introduced. He reiterated that he didn't believe those voting for the 2006 initiative were voting for an expansion of for-profit gambling in Alaska.

[9:14:03 AM](#)

CO-CHAIR MUNOZ announced that HB 208 would be held and further discussion would occur next week.

[9:14:18 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:14 a.m.