

# Fiscal Note

State of Alaska  
2020 Legislative Session

Bill Version:	SB 188
Fiscal Note Number:	2
(S) Publish Date:	2/12/2020

Identifier: 0894-DPS-CJISP-02-06-20  
 Title: LOTTERY: PUB. CORP; FUND; UNLAWFUL SALE  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Public Safety  
 Appropriation: Statewide Support  
 Allocation: Criminal Justice Information Systems Program  
 OMB Component Number: 3200

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2021	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2021 Request	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>OPERATING EXPENDITURES</b>	<b>FY 2021</b>	<b>FY 2021</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2020) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2021) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

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Division:	Commissioner's Office	Date:	02/06/2020 10:00 AM
Approved By:	Casey Bluhm, Budget Analyst	Date:	02/06/20
Agency:	Office of Management and Budget		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2020 LEGISLATIVE SESSION

## Analysis

This bill amends AS 05 by adding chapter 18 creating the Alaska Lottery Corporation, a new public corporation to establish and operate lottery games in the state. It establishes a board of directors to govern the corporation and provides that public directors of the board, corporation officers, and corporation employees may not serve if they have been convicted of a felony, an offense under AS 11.66.200 – 11.66.280 or 11.66.400, or convicted of an offense involving unlawful gambling under federal, state, or municipal law or the laws of another jurisdiction. The bill requires each to complete a criminal background check under AS 12.62.400 to determine if they are qualified to serve.

The bill authorizes the corporation to engage lottery contractors to provide services on terms established by the board. Proposed lottery contractors must submit fingerprints to the Department of Public Safety (DPS) to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400. The corporation may not enter into a contract with a lottery contractor convicted of a felony or a lottery or gambling offense. If the proposed lottery contractor is a business organization, the corporation may not enter into a contract if an officer, manager, or individual with control of the organization has been convicted of a felony or a lottery or gambling offense.

The bill authorizes the corporation to contract with persons to serve as sales agents to sell lottery tickets for the corporation. Persons seeking a sales agent contract must submit fingerprints with their application, and the corporation will submit the applicant fingerprints to DPS to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400. The corporation may not enter into a sales agent contract with an applicant convicted of a felony or of a lottery or gambling offense. If the applicant is a business organization, the corporation may not enter into a sales agent contract if an officer, manager, or individual with control of the organization has been convicted of a felony or a lottery or gambling offense.

This bill amends AS 11.66.280(3) to add a new subsection to exclude the activities of the Alaska Lottery Corporation and the corporation's contractors and sales agents from the definition of gambling. It also amends AS 11.66 to add a new section, Article 4 Lottery Offenses, and establishes a new crime of Unlawful Sale of a Lottery Ticket, a class A misdemeanor.

This bill amends AS 12.62.400(a) adding a new subsection to authorize a national criminal history record check for determining a person's qualifications for a position as a public director, officer, or an employee of the Alaska Lottery Corporation, based upon a fingerprint submission and fee payment to DPS for a state, and through the Federal Bureau of Investigation, a national criminal history record check.

The bill amends AS 12.62.400(c) to authorize a national criminal history check for determining qualifications of a prospective lottery contractor or sales agent to the Alaska Lottery Corporation by submitting the lottery contractor's or sales agent's fingerprints to DPS with the fee established under AS 12.62.160 for a state, and through the Federal Bureau of Investigation, a national criminal history record check. This section is also amended to add definitions for 'lottery contractor' and 'sales agent'.

The bill amends AS 18.65.090 to require DPS to conduct a criminal background check on an individual selected to serve as a public director, officer, or employee of the Alaska Lottery Corporation to ascertain whether the individual has been convicted of a crime under AS 05.18.020(b) or AS 05.18.090.

Should this bill pass, it is expected that DPS would experience a slight increase in the number of fingerprint based background checks to be processed, but will be able to process those checks with existing administrative and professional staff. Therefore, a zero fiscal note is being submitted.