

SENATE BILL NO. 201 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Amended: 3/18/22

Introduced: 2/16/22

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to charitable gaming online ticket sales and activities; relating to**
2 **charitable gaming proceeds; and providing for an effective date."**

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

4 * **Section 1.** AS 05.15.060(a) is amended to read:

5 (a) The department shall adopt regulations under AS 44.62 (Administrative
6 Procedure Act) necessary to carry out this chapter covering, but not limited to,

7 (1) the issuance, renewal, and revocation of permits, licenses, and
8 vendor registrations;

9 (2) a method of ascertaining net proceeds, the determination of items
10 of expense that may be incurred or paid, and the limitation of the amount of the items
11 of expense to prevent the proceeds from the activity permitted from being diverted to
12 noncharitable, noneducational, nonreligious, or profit-making organizations,
13 individuals, or groups;

14 (3) the immediate revocation of permits, licenses, and vendor

1 registrations authorized under this chapter if this chapter or regulations adopted under
2 it are violated;

3 (4) the requiring of detailed, sworn, financial reports of operations
4 from permittees and licensees including detailed statements of receipts and payments;

5 (5) the investigation of permittees, licensees, registered vendors, and
6 their employees, including the fingerprinting of those permittees, licensees, registered
7 vendors, and employees whom the department considers it advisable to fingerprint;

8 (6) the method and manner of conducting authorized activities and
9 awarding of prizes or awards, and the equipment that may be used;

10 (7) the number of activities that may be held, operated, or conducted
11 under a permit during a specified period; however, the department may not allow more
12 than 14 bingo sessions a month and 35 bingo games a session to be conducted under a
13 permit; the holders of a multiple-beneficiary permit under AS 05.15.100(d) may hold,
14 operate, or conduct the number of sessions and games a month equal to the number
15 allowed an individual permittee a [PER] month multiplied by the number of holders of
16 the multiple-beneficiary permit;

17 (8) a method of accounting for receipts and disbursements by
18 operators, including the keeping of records and requirements for the deposit of all
19 receipts in a bank;

20 (9) the disposition of funds in possession of a permittee, a person,
21 municipality, or qualified organization that possesses an operator's license, or a
22 registered vendor at the time a permit, a license, or a vendor registration is
23 surrendered, revoked, or invalidated;

24 (10) restrictions on the participation by employees of the Department
25 of Fish and Game in salmon classics, king salmon classics, and big bull moose
26 derbies, and by employees of Douglas Island Pink and Chum in king salmon classics;

27 **(11) establishment of standards for online ticket sales under**
28 **AS 05.15.640(d) to ensure compliance with charitable gaming laws, including age**
29 **and location verification requirements;**

30 **(12)** [(11)] other matters the department considers necessary to carry
31 out this chapter or protect the best interest of the public.

1 * **Sec. 2.** AS 05.15.150 is amended to read:

2 **Sec. 05.15.150. Limitation on use of proceeds.** (a) **Except as provided in (c)**
 3 **of this section, the** [THE] authority to conduct the activity authorized by this chapter
 4 is contingent upon the dedication of the net proceeds of the charitable gaming activity
 5 to the awarding of prizes to contestants or participants and to political, educational,
 6 civic, public, charitable, patriotic, or religious uses in the state. In this subsection,
 7 "political, educational, civic, public, charitable, patriotic, or religious uses" means uses
 8 benefiting persons either by bringing them under the influence of education or religion
 9 or relieving them from disease, suffering, or constraint, or by assisting them in
 10 establishing themselves in life, or by providing for the promotion of the welfare and
 11 well-being of the membership of the organization within their own community, or
 12 through aiding candidates for public office or groups that support candidates for public
 13 office, or by erecting or maintaining public buildings or works, or lessening the burden
 14 on government, but does not include

15 (1) the direct or indirect payment of any portion of the net proceeds of
 16 a bingo or pull-tab game to a lobbyist registered under AS 24.45;

17 (2) the erection, acquisition, improvement, maintenance, or repair of
 18 real, personal, or mixed property unless it is used exclusively for one or more of the
 19 permitted uses; or

20 (3) the direct or indirect payment of any portion of the net proceeds of
 21 a charitable gaming activity, except the proceeds of a raffle and lottery,

22 (A) to aid candidates for public office or groups that support or
 23 oppose candidates for public office;

24 (B) to a political party or to an organization affiliated with a
 25 political party; or

26 (C) to a group, as that term is defined in AS 15.13.400, or a
 27 political group, as that term is defined in AS 15.80, that seeks to influence the
 28 outcome of an election.

29 (b) The net proceeds derived from the activity must be devoted within one
 30 year to one or more of the uses stated in (a) **or (c)** of this section. A municipality or
 31 qualified organization desiring to hold the net proceeds for a period longer than one

1 year must apply to the department for special permission and upon good cause shown
 2 the department may grant the request.

3 * **Sec. 3.** AS 05.15.150 is amended by adding a new subsection to read:

4 (c) A permittee, operator, or holder of a multiple-beneficiary permit
 5 conducting a charitable gaming activity authorized by this chapter may use proceeds
 6 from the charitable gaming activity for use outside the state if the proceeds are used to
 7 benefit the people of a country that has been invaded by another country.

8 * **Sec. 4.** AS 05.15.640 is amended by adding new subsections to read:

9 (d) Notwithstanding (a) of this section, a permittee, an operator, or the holder
 10 of a multiple-beneficiary permit may use the Internet or an Internet communication to
 11 conduct a charitable gaming activity for a raffle or lottery, dog mushers' contest,
 12 derby, or type of classic defined in AS 05.15.690. The permittee, an operator, or the
 13 holder of a multiple-beneficiary permit may draw winning tickets online or by other
 14 electronic or digital means.

15 (e) A purchaser shall, at the time of an online ticket sale, certify that the
 16 purchaser is of legal purchasing age and is not physically present in an area that has
 17 adopted a local option prohibiting charitable gaming.

18 (f) A permittee, operator, or holder of a multiple-beneficiary permit
 19 conducting a charitable gaming activity under (d) of this section shall conduct the
 20 charitable gaming activity in the state and determine, in the state, the winner of the
 21 charitable gaming activity.

22 * **Sec. 5.** AS 05.15.150(c) is repealed July 1, 2024.

23 * **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).