

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	SB 201
Fiscal Note Number:	1
(S) Publish Date:	2/22/2022

Identifier:
Title: USE OF INTERNET FOR CHARITABLE GAMING
Sponsor: LABOR & COMMERCE
Requester: (S) Labor & Commerce

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

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

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates					
			FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/22

Why this fiscal note differs from previous version/comments:

Fiscal note zeroed out as per committee action on 2/21/2022.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION**Analysis****Background**

The proposed legislation would allow for certain charitable gaming activities to be conducted online. Current statute, AS 05.15.640, disallows the use of broadcasting and the internet to conduct a charitable gaming activity. This bill amends AS 05.15.640 to allow the following gaming activities to be conducted using the Internet: raffle or lottery, dog mushers' contest, derby, or type of classic defined in AS 05.15.690.

These activities are currently allowed through June 30, 2022 due to the passage of HB76 in 2021, which was the Emergency Declaration bill. This proposed legislation would allow for these certain charitable gaming activities to continue in the same manner as allowed now under this temporary legislation.

The Department of Revenue (Department) would need to establish regulations for online tickets sales to ensure compliance with charitable gaming laws. This includes standards for age and location verification to ensure the purchaser is of legal age and within the state. There would also need to be guidelines for data security to ensure that the online ticket sales were authorized. These would need to be done as soon as possible as the bill has an immediate effective date but acknowledge that regulations typically take several months to be completed.

Revenue Impact

It is possible that by allowing these games to be conducted online, there may be an increase of gaming activities. The potential incremental impact to state revenues is insignificant. The amount of net proceeds and permit fees from all charitable gaming activities to state revenue is ~\$500,000 per year. The impact from this legislation is expected to be de minimis to state revenues.

Implementation Cost

The proposed legislation results in no change to our Tax Revenue Management System (TRMS). The Department can implement this bill with existing resources and does not anticipate any continuing costs or additional staff needs.