

HOUSE FINANCE COMMITTEE
May 12, 2022
1:34 p.m.

1:34:41 PM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative DeLena Johnson
Representative Andy Josephson
Representative Bart LeBon
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

Representative Bryce Edgmon
Representative Sara Rasmussen

ALSO PRESENT

Senator Mia Costello, Sponsor; Emma Torkelson, Staff,
Senator Josh Revak.

PRESENT VIA TELECONFERENCE

Claire Radford, Legislative Counsel, Legislative Legal Services; Katrine Mitchell, Charitable Gaming Program, Department of Revenue; Colleen Glover, Director, Tax Division, Department of Revenue; Eddie Grasser, Director, Division of Wildlife Conservation, Department of Fish and Game.

SUMMARY

SB 201 am

USE OF INTERNET FOR CHARITABLE GAMING

SB 201 am was HEARD and HELD in committee for further consideration.

CSSB 204 (RES) HUNTING PERMIT/TAG AUCTIONS/RAFFLES

CSSB 204 (RES) was HEARD and HELD in committee for further consideration.

Co-Chair Merrick reviewed the meeting agenda. She did not intend to move the bills out of committee.

#sb201

SENATE BILL NO. 201 am

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

[1:35:31 PM](#)

Co-Chair Merrick indicated that SB 201 was previously heard in committee on May 3, 2022. She commented that Representative Johnson joined the meeting.

Representative Wool MOVED to ADOPT Amendment 1, 32-LS1509\A.A.1 (Radford, 5/2/22) (copy on file):

Page 4, following line 21:
Insert a new subsection to read:

"(g) A permittee, operator, or holder of a multiple-beneficiary permit conducting a raffle or lottery under (d) of this section shall advertise the maximum number of available raffle or lottery tickets at the beginning of the raffle. The maximum number of available raffle or lottery tickets may not be increased after advertisement."

Co-Chair Merrick OBJECTED for discussion.

Representative Wool explained that under current statute when an organization sold paper tickets there had to be a finite number and each ticket had to be numbered. He wanted the same type of system for online raffle or lottery tickets and the language in the bill was not explicit. The amendment required the organization to advertise the maximum number of tickets so people can determine the odds.

In addition, the bill uses the words "raffle or lottery" since that was the language used in statute. He noted that classics, like the Nenana Ice Classic was specifically defined in law.

[1:37:26 PM](#)

Co-Chair Merrick WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment 1 was ADOPTED.

[1:37:37 PM](#)

Representative Carpenter MOVED to ADOPT Amendment 2, 32-LS1509\A.A.2 (Radford, 5/3/22) (copy on file):

Page 1, line 2, following "proceeds;":
Insert "establishing the Kenai River Freeze-Up Classic;"

Page 2, following line 31:
Insert new bill sections to read:
"* Sec. 2. AS 05.15.100(a) is amended to read:
(a) The department may issue a permit to a municipality or qualified organization. The permit gives the municipality or qualified organization the privilege of conducting bingo, raffles and lotteries, pull-tab games, freeze-up classics, ice classics, race classics, rain classics, goose classics, mercury classics, deep freeze classics, canned salmon classics, salmon classics, king salmon classics, dog mushers' contests, snow classics, snow machine classics, fish derbies, animal classics, crane classics, cabbage classics, Calcutta pools, big bull moose derbies, and contests of skill.

* Sec. 3. AS 05.15.11 S(c) is amended to read:
(c) A permittee may not contract with more than one operator at a time to conduct the same type of activity. For the purposes of this subsection, bingo games, raffles, lotteries, pull-tab games, freeze-up classics, ice classics, race classics, rain classics, goose classics, mercury classics, deep freeze classics, canned salmon classics, salmon classics, king salmon classics, dog mushers' contests, snow classics, snow machine classics, fish derbies, animal classics, crane classics, cabbage classics, big bull

moose derbies, and contests of skill are each a different type of activity."

Renumber the following bill sections accordingly.

Page 4, following line 7:

Insert a new bill section to read:

"* Sec. 6. AS 05.15.1 80(b) is amended to read:

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, freeze-up classics, race classics, rain classics, goose classics, mercury classics, deep freeze classics, dog mushers' contests, snow classics, snow machine classics, canned salmon classics, salmon classics, animal classics, crane classics, cabbage classics, Calcutta pools, big bull moose derbies, and king salmon classics, a permit may not be issued for an activity under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. A permit may not be issued for a snow machine classic under this chapter unless it has been in existence for at least five years before the permit is issued. A permit may not be issued for an animal classic under this chapter unless it was in existence before November 1, 2002."

Renumber the following bill sections accordingly.

Page 4, following line 21:

Insert a new bill section to read:

"* Sec. 8. AS 05 .15 .690 is amended by adding a new paragraph to read: (50) "freeze-up classic" means a game of chance in which a prize of money is awarded by the drawing of lot among persons who correctly guess whether a body of water or watercourse in the state freezes by the date determined by the administrator of the game and is limited to a Kenai River Freeze-Up Classic operated and administered by the Kenai Rotary Club, the Soldotna Rotary Club, or jointly by the Kenai Rotary Club and the Soldotna Rotary Club."

Renumber the following bill sections accordingly.

Delete all material and insert:

"* Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations necessary to implement secs. 2, 3,

6, and 8 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation.

* Sec. 11. Sections 2, 3, 6, and 8 of this Act take effect January 1, 2023.

* Sec. 12. Except as provided in sec. 11 of this Act, this Act takes effect immediately under AS 01.10.070(c)."

Co-Chair Merrick OBJECTED for discussion.

Representative Carpenter explained that the amendment that would add freeze-up classics that was the opposite of when the ice thawed and happened when the ice froze. The amendment specifically addressed and would enable the Kenai River Ice Classic.

Vice-Chair Ortiz asked how freeze up was defined. Representative Carpenter had no idea. He thought there were likely multiple ways to create an understanding with the public. He was not entirely sure what the criteria for winning was but the concept was similar to a thaw classic.

[1:39:20 PM](#)

Co-Chair Merrick WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment 2 was ADOPTED.

[1:39:31 PM](#)

Representative Wool MOVED to ADOPT Amendment 3, 32-LS1509\A.A.3 (Radford, 5/3/22) (copy on file):

Page 3, line 21, following "lottery":

Insert "that are not derived from online ticket sales under AS 05.15.640(d) "

Co-Chair Merrick OBJECTED for discussion.

Representative Wool explained the amendment. He indicated that amendment 3 would close a loophole. He pointed to page 3, line 21 of the bill and noted that the language would be inserted after subsection (3) and affected the subsections (A) through (C). He delineated that currently, it was legal

to hold a raffle or lottery to aid candidates for public office, or for groups that support or oppose candidates, or for political parties or groups. He deemed that since online sales were offered nationwide and globally, if online tickets were used for such purposes, it could bring in thousands or millions of dollars and could open the floodgates for political contributions in the guise of a lottery. He believed that paper tickets limited such outcomes, and it was not the intention of the legislation.

Co-Chair Merrick WITHDREW her OBJECTION.

Representative Carpenter OBJECTED. He asked if the bill sponsor supported the amendment.

SENATOR MIA COSTELLO, SPONSOR, had not previously seen the amendment but based on the explanation she was supportive.

Representative Carpenter WITHDREW his OBJECTION.

There being NO further OBJECTION, Amendment 3 was ADOPTED.

[1:42:47 PM](#)

Representative LeBon MOVED to ADOPT Amendment 4, 32-LS1509\A.A.5 (Radford, 5/11/22) (copy on file):

Page 4, following line 21:
Insert a new subsection to read:

"(g) A permittee, operator, or holder of a multiple-beneficiary permit conducting a raffle or lottery under (d) of this section shall advertise the maximum number of available raffle or lottery tickets at the beginning of the raffle. The maximum number of available raffle or lottery tickets may be unlimited if the maximum number is advertised as unlimited. The maximum number of available raffle or lottery tickets may not be increased after advertisement."

Co-Chair Merrick OBJECTED for discussion.

Representative LeBon explained the amendment. He communicated that Amendment 4 was almost identical to Amendment 1 except for the following language : "may be unlimited if the maximum number is advertised as unlimited." He exemplified a fifty percent to fifty percent

(50/50) raffle that were common at school sporting events where the number of tickets sold was unlimited because the pot grew as more tickets were sold. A player of 50/50 raffles wanted as many tickets sold as possible so the winnings would increase. He commented that the amendment would allow that type of raffle and agreed it should be advertised as unlimited ticket sales.

Representative Wool agreed with Representative LeBon about the 50/50 raffle. He noted that it was already addressed in regulation where it was called a "split the pot." He added that the limitation on a split the pot was that it had to happen over a single day and sold only at the event. He maintained that there was already uncodified law that covered split the pot raffles and other types of chance games like pull tabs and bingo. He thought the amendment was unnecessary. He noted that Alaska lacked a state lottery that operated on the same concept. He worried that the amendment would open the door to state lotteries because it lacked limiting language.

[1:46:58 PM](#)

CLAIRE RADFORD, LEGISLATIVE COUNSEL, LEGISLATIVE LEGAL SERVICES (via teleconference), confirmed that split the pot raffles currently existed in regulation. She was not sure that split the pot raffles would be exempted with the language in Amendment 5. She advised that the unlimited language be added to the amendment.

Representative Wool was confused by Ms. Radford's comments. He asked for clarification. Ms. Radford responded that she had been speaking to Amendment 4. She clarified that without the language, "the maximum number of available raffle or lottery tickets may be unlimited" was included she was not confident a split the pot raffle would not fall under the new subsection without the language included.

Co-Chair Merrick referenced Amendment 1 and noted that Ms. Radford had drafted the amendment. She asked if the Amendments 1 and 4 were basically the same without the "unlimited" portion. Ms. Radford answered in the affirmative.

Vice-Chair Ortiz deemed that the amendment did not only speak to 50/50 raffles and applied to many types of raffles and lotteries. The distinction with Amendment 4 was that it

was legal to market them online as long as it was advertised as unlimited.

[1:50:13 PM](#)

Representative LeBon asked to hear an opinion from the sponsor. He was not trying to hold up the bill. He attempted to make it clear that sometimes the goal was to sell unlimited tickets.

Co-Chair Merrick asked if a 50/50 split the pot raffle ticket could be sold online if the bill passed. Ms. Radford replied that the regulations required a split the pot raffle be conducted at a single event at a single time with all players present. She deduced that it was not possible to conduct a split the pot raffle online.

Co-Chair Merrick asked whether a person who was not present won or if a new number would have to be redrawn.

[1:51:48 PM](#)

Ms. Radford responded that she was uncertain how it worked in practice. She deemed that it may mean all players must be present to purchase the ticket. She deferred the answer to the department. She offered to investigate the issue and report to the committee.

Representative LeBon offered a lighthearted comment.

[1:53:09 PM](#)

Representative Johnson stated her understanding of the amendments. She ascertained that due to the adoption of Amendment 1, potentially the unlimited split the pot raffle tickets would not be allowed. She asked whether she was correct. Ms. Radford answered that the organization could offer a split the pot raffle but would need to set a maximum number of tickets and the number would need to be advertised. Representative Johnson stated her understanding was the unlimited language was necessary to conduct a split the pot raffle. She asked if the committee adopted the amendment with the intent to allow split the pot raffles could it result in a broader effect of allowing a raffle awarding prizes to sell unlimited tickets. Ms. Radford answered in the affirmative.

1:55:18 PM

Representative Johnson liked the idea of the split the pot and liked the idea of Amendment 4 but did not like the idea of unlimited tickets for all raffles. She hoped there was a hybrid compromise that would work.

Representative Wool pointed out that currently lottery or raffle tickets had to be numbered and also unlimited split the pot raffles were allowed, therefore, split the pot raffles were already covered under law. He summarized that currently simultaneous unlimited split the pot and numbered tickets were allowed. He was confused by Amendment 4 since the bill dealt with online raffles or lotteries and split the pot was conducted in person. He wondered how split the pot raffles would work online, but if it happened it would likely need to follow the same regulations. He was willing to amend the amendment to specify it covered a split the pot or 50/50 raffle. He felt that it would cover the issue. He did not want to complicate the bill any further by allowing language that might be interpreted as allowing a state lottery.

1:57:38 PM

AT EASE

2:09:48 PM

RECONVENED

Representative LeBon explained that the committee was discussing Amendment 4 that would allow for raffle or lottery tickets in an unlimited number to be sold if the raffle or lottery was advertised as unlimited. He wondered whether the Department of Revenue (DOR) had an opinion on whether that would satisfy disclosure for the player.

KATRINE MITCHELL, CHARITABLE GAMING PROGRAM, DEPARTMENT OF REVENUE (via teleconference), introduced herself. She responded that currently under raffle rules there was no limit. She asked if there was a limit proposed under the legislation.

Senator Costello replied that the version that was referred to the committee did not have a limit; however, the recently adopted Amendment 1 required that the maximum number of available tickets were advertised.

[2:12:06 PM](#)

Ms. Mitchell asked Representative LeBon to repeat the question.

Representative LeBon repeated his question and elaborated on the issue of split the pot raffles where sales were unlimited. He reiterated that Amendment 1 would require some disclosure if the number of sales were unlimited. Ms. Mitchell asked if Representative LeBon was asking her opinion about disclosing the number of raffle tickets sold as unlimited.

Representative LeBon asked to hear from Representative Wool who had deduced that Amendment 4 may be unnecessary.

Representative Wool explained Amendment 1. He understood that lottery and raffle tickets in Alaska had to be numbered. He considered that perhaps they only had to be numbered and there was no limit. He furthered that by moving to an online raffle market, the market became much larger and theoretically worldwide. He believed that people wanted to know how many tickets were being sold so they could deduce the odds of winning. He asked if raffle tickets had to be numbered.

[2:15:08 PM](#)

Ms. Mitchell answered that currently tickets had to be consecutively numbered but there was no limit and there was not a requirement to specify the ticket was some number out of the total number available. Representative Wool explained that Amendment 1 required the seller to specify the maximum number of raffle tickets. He stated that Representative LeBon had mentioned split the pot raffles. He thought Amendment 4 was unneeded for a split the pot raffle because it was already covered in regulation. He asked whether he was request. Ms. Mitchell answered that with a standard raffle the tickets must be consecutively numbered; however, there was a carve out for split the pot or 50/50 raffles. She stated that if the 50/50 raffle was held at one location at one time with all players present, the seller was not required to print out raffle tickets, they merely used roll tickets.

[2:17:29 PM](#)

Representative Wool referenced the introduction of online sales. He asked how the seller would satisfy the numbering requirement. He guessed that there would be a receipt with a number. He asked if Amendment 1 would change the current law to say raffle tickets were not unlimited. Ms. Mitchell apologized that she did not have the amendments on hand. She addressed a split the pot raffle and confirmed that it required the raffle to be held at one event, at one time, with all players present. She did not see how a 50/50 raffle could be held online. She ascertained that for a "regular" raffle, if the proposal was to state the total number of tickets it was possible. Representative Wool read Amendment 1 that passed earlier. He pointed out the Amendment 4 allowed unlimited ticket sales if advertised as such. He guessed that the two amendments could coexist, and it would be up to the raffle holder how they wanted to carry out the raffle.

[2:20:31 PM](#)

Senator Costello appreciated the discussion. She understood that stating the number of tickets was common practice and Amendment 1 would place that in statute. She noted the carve out for 50/50 raffles in existing regulation, therefore; it was her understanding Amendment 4 would be unnecessary because it was already handled in regulation.

Ms. Mitchell clarified her understanding of the two amendments and asked whether she was correct.

Senator Costello ascertained that if the committee wanted the unlimited scenario to apply to all raffles Amendment 4 would apply and if it wanted the unlimited scenario to only apply to 50/50 raffles that was currently handled in regulation.

Representative LeBon maintained that it was unnecessary to limit the sales opportunity if there was full disclosure to the ticket purchaser the raffle was open to unlimited sales. He relayed a situation from personal experience where the prizes were costly, and the organization wanted to sell as many raffle tickets as possible.

[2:23:34 PM](#)

Representative Wool saw both sides of the issue. He countered that there were raffles that had a high dollar

value and he believed that it was fair for the purchaser to be aware of the odds of winning. He asked if Amendment 4 were adopted, whether it would only apply if it was a one day closed event and the pot could not extend over multiple days.

Co-Chair Merrick asked if it would be helpful for Ms. Mitchell to see the amendments.

Ms. Mitchell stated that she had just received the amendments. She answered that Representative Wool's statement was correct and added that ticket sales would apply to the one event on one day.

[2:26:07 PM](#)

Co-Chair Merrick asked if a person was considered present at an event if they were on a Zoom call. Ms. Mitchell answered that it was not addressed in statute

Representative Wool ultimately decided that he preferred Amendment 1.

Representative LeBon asked if Representative Wool maintained his objection.

Co-Chair Merrick clarified it was her objection. She WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment 4 was ADOPTED.

[2:27:41 PM](#)

AT EASE

[2:34:08 PM](#)

RECONVENED

Co-Chair Merrick noted conceptual Amendment 5 was sponsored by Representative Johnson and Representative Wool.

Representative Johnson MOVED to ADOPT conceptual Amendment 5:

Page 4, line 22
delete "2024" and following "July 1," insert "2023."

Page 4, line 6

following "used" insert "for humanitarian aid."

Co-Chair Merrick OBJECTED for discussion.

Representative Johnson explained the amendment. She pointed to Section 3, page 4, lines 4 through 7, of the bill that related to online gaming for the purpose of sending aid to benefit the people of a country that had been invaded by another country. She cited Section 5, line 22, and noted the repealer date of July 1, 2024. She noted that the current language in the bill was added specifically for aid to Ukraine. The amendment shortened the date window from 2024 to 2023.

Representative Wool explained the second part of the amendment. He had spoken with [lobbyist] Thor Stacey who supported the amendment. He learned that the added language was specifically for an event to send humanitarian aid to the Ukraine. He indicated that the amendment clarified the raffle was not to purchase ammunition or weapons but was specifically for humanitarian aid. He added that the amendment inserted the language "for humanitarian aid" on page 4, line 6, after the word, "used."

[2:36:50 PM](#)

Co-Chair Merrick asked Representative Wool to state who Thor Stacey was.

Representative Wool clarified that Thor Stacey represented Safari Club International, a group that wanted to raise funds for the people of Ukraine.

Vice-Chair Ortiz asked why the amendment would reduce the time window. Representative Johnson stated that originally, she had wanted to delete the paragraph altogether due to her concern that the paragraph did not specify Ukraine. She observed that it was hard to oversee what the funding would actually be used for once the money left the state. She shared that her first concern was about what kind of help the organization was sending. She stated that making the sunset date a little over one year made it clearer that it was from the people of Alaska. She stated that "shorter was better" for matters of international politics.

[2:39:05 PM](#)

Vice-Chair Ortiz asked if the amendment presumed that the war would be resolved in Ukraine by the date.

Representative Johnson clarified that the bill did not specify the Ukraine and could apply to any number of places such as Venezuela or North Korea. She did not want to make the amendment too broad. She reiterated that she wanted the language removed but offered the amendment as a concession to allow the Safari Club fund raiser. Vice-Chair Ortiz understood there may be a concern because the bill language did not specifically speak to Ukraine. He asked if there had to be some sort of trust between the purchaser and the organizer whether the funds would go to Ukraine. He did not understand the reason for shortening the window. It was his understanding that a purchaser or seller of a lottery ticket would specify the purpose of the lottery. He deemed that the disclosure would cover the concern. Representative Johnson stated that "in the perfect world, yes." She reiterated that once the money was out of Alaska or the United States (U.S.) it was difficult to track. She opined that it set a dangerous precedent to have lotteries that benefitted anyone outside of Alaska.

[2:42:31 PM](#)

Representative LeBon clarified that the reference to the Safari Club International was incorrect and should be made to the Alaska Professional Hunters Association and Wild Sheep Foundation.

Representative Carpenter asked how the administration would enforce the proposed amendment.

Ms. Mitchell responded that they would need to have a definition of invaded. She did not know how it would be enforced without a clear definition.

[2:44:34 PM](#)

Representative Carpenter restated his understanding of the amendment and his question. Ms. Mitchell restated her previous answer. She thought it would be difficult if invaded country and humanitarian aid were not defined. Representative Carpenter asked if the amendment specified the Ukraine, how the state would enforce the statute.

COLLEEN GLOVER, DIRECTOR, TAX DIVISION, DEPARTMENT OF REVENUE (via teleconference), answered that the department would have to implement regulations and define the concepts therefore, it was difficult to say exactly what the department would do until the bill had passed. She furthered that the amount going to the state was small and the department had limited resources to perform audits or quality compliance for charitable gaming.

[2:47:10 PM](#)

Representative Carpenter stated that if he made a donation to the American Cancer Society, he would have an expectation the funds would go to the American Cancer Society. He was not assured under the current scenario, it was possible to guarantee the funds directed to humanitarian aid would be used for that purpose only. He believed that it was not enforceable. He wondered how the restriction was enforceable. He deduced the answer was that the matter was unenforceable.

Senator Costello appreciated the questions. She had been told by the legislative legal drafters not to specify the country. She had followed up on a question of whether the proceeds could go through another organization like the Red Cross or UNICEF and discovered that was allowable. She recommended specifying an organization the Safari Club would be working with to further focus the amendment on the explicit event.

[2:49:12 PM](#)

Representative Thompson deduced that someone trying to raise money for humanitarian aid for the Ukraine would specify how the funds would be used on the tickets. He reasoned that no one would buy the tickets if specific information was not listed on the tickets. He was in favor of the amendment.

Co-Chair Merrick stated her office would reach out to the Safari Club on its objective on how the funds would be used.

[2:50:58 PM](#)

AT EASE

2:52:35 PM

RECONVENED

Co-Chair Merrick reiterated the proper names of the groups that would be performing the raffles as stated earlier by Representative LeBon.

Vice-Chair Ortiz spoke to the enforceability question. He asked if there was currently any online raffle tickets or gambling in Alaska. Ms. Mitchell replied that the department had received many complaints about online gambling in Alaska.

Vice-Chair Ortiz surmised online gambling was illegal. He mentioned enforceability and guessed that there was not much the state could do about it. Ms. Mitchell answered that selling raffle tickets online was permissible under the Charitable Gaming Act. She added that online gambling was illegal and against the criminal code in Alaska.

Vice-Chair Ortiz asked if lotteries were currently happening online. Ms. Mitchell answered that organizations with charitable gaming permits could hold raffles or lotteries online.

2:55:18 PM

Ms. Glover clarified that the bill made online gaming permanent, which was currently allowed under temporary legislation that expired in June 2022.

Senator Costello relayed that the action was currently allowed and there were over 800 organizations holding online charitable gaming. She furthered that they would lose the ability to hold online gaming at the end of the fiscal year. She reminded Representative Ortiz that the temporary authorization happened in response to the COVID pandemic. The bill would make online charitable gaming permanent. The section about Ukraine was added on the Senate floor.

Representative Wool returned to the issue about support of another country. He determined that a country invading another country was very broad. He discussed the entities currently organizing a raffle for Ukraine. He had suggested that its members donate to UNICEF but the organizers wanted to hold a raffle. He agreed that the provision was

unenforceable, and he was torn on the issue. He was not convinced it was for the best. The amendment shortened the provision to one year. He did not believe there would be a lot of raffles related to the provision in that amount of time. He believed that the language was concerning.

Representative Carpenter CALLED the PREVIOUS QUESTION.

[2:59:05 PM](#)

AT EASE

[2:59:28 PM](#)

RECONVENED

Co-Chair Merrick WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment 5 was ADOPTED.

SB 201 am was HEARD and HELD in committee for further consideration.

[2:59:54 PM](#)

AT EASE

[3:04:28 PM](#)

RECONVENED

#sb204

CS FOR SENATE BILL NO. 204 (RES)

"An Act relating to auctions or raffles for hunting harvest permits and big game tags; and providing for an effective date."

[3:04:35 PM](#)

Co-Chair Merrick indicated that the committee previously heard the bill on May 10, 2022, and the committee would take up one amendment. She asked for a review of the fiscal note.

EDDIE GRASSER, DIRECTOR, DIVISION OF WILDLIFE CONSERVATION, DEPARTMENT OF FISH AND GAME (via teleconference), reviewed the published zero fiscal note for the Department of Fish and Game (DFG) (FN1 (DFG) appropriated to Wildlife Conservation He relayed that there would not be a drain on the state's coffers as a result of the bill. The department

expected to bring in significant revenue with the legislation. He furthered that in the prior year the raffle brought in over \$1 million, and the department had received revenues of \$1 million so far for the current year.

3:06:04 PM

Representative Josephson MOVED to ADOPT Amendment 1, 32-LS1319\W.3 (Bullard, 5/11/22) (copy on file):

Page 1, line 1, following "permits":
Insert ",bear viewing permits,"

Page 1, following line 3:
Insert a new bill section to read:
"*Section 1. AS 16.05.130 is amended by adding a new subsection to read:
(h) Money accruing to the state from the auction or raffle of bear viewing permits under AS 16.05.343(c) shall be deposited in a separate account known as the nongame conservation account in the fish and game fund. Money n the account shall be allocated to programs relating to wildlife sanctuaries and refuges, fish and wildlife diversity, wildlife viewing, educational programs, and related outreach efforts."

Page 1, line 4:
Delete "Section 1"
Insert "Sec. 2"

Renumber the following bill sections accordingly.

Representative LeBon OBJECTED for discussion.

Representative Josephson explained the amendment. He indicated that the purpose of the amendment was to direct the proceeds of the raffle to a new account within the existing DFG fund. Funds from the new account could only be spent on programs related to state wildlife sanctuaries, refuges, wildlife viewing, and educational programs. He stated that the sponsor and Mr. Grasser supported the amendment. He noted that the goal of the bill was to increase the fund raising capacity to match federal funds. He reasoned that the amendment would advance the goal because it appealed to raffle customers that wanted to win a permit to view bears at the McNeil River State Game Sanctuary and Refuge. He believed that the amendment would

result in increased ticket sales and more revenue. He reported that similar sub-accounts in the Fish and Game Fund in Title 16, AS 16.05 currently existed in statute that directed proceeds to waterfowl, fur bears, and general hunting trapping and fishing. He asked for the committee's support.

Representative Johnson asked if the fund would be dedicated. Representative Josephson answered in the negative and surmised that it was a designated fund. He added that the language in the amendment mirrored AS 16.05.130 pertaining to the diversion of funds. He restated that similar language currently existed for waterfowl conservation, the sale of resident trapping licenses and general hunting, trapping, and fishing licenses, and the Intensive Management (IM) surcharge. The amendment was aligned with the corollary programs he listed.

[3:08:29 PM](#)

Mr. Grasser stated that Representative Josephson was correct, and the amendment would add language to the existing statutes for the diversion of funds for management projects. He responded that the Fish and Game Fund was dedicated and was protected by the Constitution and the Statehood Act. He elaborated that the money put into the fund could be used for a diverse number of activities. He noted that the first activity adopted under AS 16.05.130 was for a waterfowl stamp program. He concurred that the amendment aligned with the diversion of funds statute. Representative Johnson asked if the proposed new account would be a subaccount under the dedicated fund. Mr. Grasser answered in the affirmative and added that it would be a dedication of a dedicated fund.

Representative LeBon asked to hear from the bill sponsor's staff to confirm the senator was amenable to the amendment.

EMMA TORKELSON, STAFF, SENATOR REVAK, confirmed that Senator Revak was supportive of Amendment 1.

[3:10:57 PM](#)

Representative Josephson reiterated that the division and sponsor supported the amendment. He did not mean to create confusion when he stated it was a designated fund. He maintained that pre-statehood funds were allowed under the

Constitution as dedicated funds. He elucidated that the additions to the original Fish and Game Fund statute were made in 1979, 1984, 1994, 1995, 1996, 2005, and 2016. He concluded that the proposal was not prohibited.

Representative Carpenter agreed that the fund itself was dedicated. He believed that some of the additional funds into the account were not protected from the sweep.

Mr. Grasser was unsure that Representative Carpenter's comment was correct. He understood that the Fish and Game Fund was protected in the Constitution and not allowed to be swept.

Representative LeBon WITHDREW his OBJECTION.

There being NO further OBJECTION, Amendment 1 was ADOPTED.

SB 204 was HEARD and HELD in committee for further consideration.

Co-Chair Merrick reviewed the schedule for the following morning.

#

ADJOURNMENT

3:13:56 PM

The meeting was adjourned at 3:13 p.m.