

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version:	CSSB 170(FIN)
Fiscal Note Number:	3
(S) Publish Date:	4/1/2026

Identifier: SB170CS(FIN)-DOR-TAX-3-31-26
 Title: GAMING; ELECTRONIC PULL-TABS
 Sponsor: BJORKMAN
 Requester: (S)FIN

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)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES								
Personal Services	250.0		250.0	250.0	250.0	250.0	250.0	250.0
Travel	2.0		2.0	2.0	2.0	2.0	2.0	2.0
Services	27.8		27.8	27.8	27.8	27.8	27.8	27.8
Commodities	9.0						5.4	
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	288.8	0.0	279.8	279.8	279.8	279.8	285.2	279.8

Fund Source (Operating Only)

1005 GF/Prgm (DGF)	288.8		279.8	279.8	279.8	285.2	279.8
Total	288.8	0.0	279.8	279.8	279.8	285.2	279.8

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	***
Total	***	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? Yes
(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 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/27

Why this fiscal note differs from previous version/comments:

This fiscal note's changes in revenues and analysis have been updated to reflect changes introduced in the Senate Finance Committee Substitute, Version Q. The primary change in this bill version is to permit gaming on Alaska Marine Highway System (AMHS) vessels and sets a permit fee for gaming on AMHS vessels.

Prepared By: Brandon Spanos, Acting Director
 Division: Tax Division
 Approved By: Janelle Earls, Acting Commissioner
 Agency: Department of Revenue

Phone: (907)269-6736
 Date: 03/31/2026 02:00 PM
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REPORTED OUT OF
SFC 04/01/2026

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

Analysis

Background Information

This bill would allow pull-tab games to be expanded from traditional paper pull-tabs to include electronic pull-tabs or e-tabs. Current statute, AS 05.15.690(38) defines a "pull-tab game" as a game of chance where a card, the face of which is covered to conceal a number, symbol, or set of symbols, is purchased by the participant and where a prize is awarded for a card containing certain numbers or symbols designated in advance and at random. The language of this bill would amend AS 05.15.690(46) to include "electronic pull-tab systems."

This bill increases the prize limits for permittees from a maximum of \$500,000 in prizes each year to a maximum of \$4,000,000 in prizes each year for electronic pull-tab activities and a maximum of \$2,000,000 in prizes each year for other gaming activities. This bill does not change the minimum age for any gaming activity, and clarifies that participation in gaming activities on Alaska Marine Highway System (AMHS) vessels is limited to persons 21 years of age or older.

This bill provides some unique limitations for electronic pull-tab systems that the paper pull-tab games do not have:

1. A series may not exceed 15,000 tickets.
2. Electronic pull-tab devices are only allowed on tablets with a screen that is not larger than 13" in width or height.

The Department would need to establish regulations. Regulation completion and timing will be determined based on passage of the legislation.

This bill also authorizes gaming activities on AMHS vessels. Under this bill, a permit to conduct charitable gaming activities on AMHS vessels may be held by Department of Transportation and Public Facilities (DOT&PF) acting as a qualified organization on behalf of AMHS, or by a licensed operator holding an operator's license. The Department of Revenue (DOR) would regulate gaming activities on AMHS vessels. Gaming would only be permitted while the vessel is within three nautical miles of the coastline of the state, and must take place in designated areas of the vessel. Dining areas, areas primarily designated for children, and passenger cabins may not be designated as gaming areas. All permit fees, taxes, and revenue generated from gaming activities on AMHS vessels would be deposited into the Alaska Marine Highway System fund.

Revenue Impact

The revenue impact of this bill is indeterminate. The revenue impact would be positive with a potential range of \$0.5 million to \$6.2 million in incremental revenue annually. For context, in FY2025, total state revenue from charitable gaming was \$2.9 million including \$2.2 million from pull-tab taxes, \$0.5 million from net proceeds fees, and \$0.2 million from all other license fees, permit fees, penalties, and interest.

The estimated range of potential revenue consists of two components: shore-based revenue and AMHS vessel revenue.

To estimate increased shore-based revenue, DOR used five other states that have implemented electronic pull tabs, and have available data to prepare scenarios of how pull tab sales will increase with electronic pull tabs in Alaska. Using an average of the other five states, a range of \$0.5 to \$5.5 million of additional annual state revenue could be generated beginning in the first full year of implementation (FY2028). Revenue impacts would likely be zero or minimal in FY2027 due to an assumed year-long implementation process. Charitable gaming revenues are considered program receipts, a portion of which has been returned to the General Fund as excess program receipts.

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Analysis

The state revenues from pull-tab sales consist of these sources:

1. Pull-tab tax of three percent of gross receipts less prizes per pull-tab game
2. Pull-tab manufacturer license fee of \$2,500 per year
3. Pull-tab distributor license fee of \$1,000 per year
4. Pull-tab vendor permit fee of \$50 per year per location, and
5. Net proceeds fee of one percent of net proceeds from a permittee if gross receipts are greater than \$20,000 for all gaming.

In addition to the statewide expansion of electronic pull-tab gaming described above, this bill also authorizes charitable gaming activities on AMHS vessels, conducted by either DOT&PF or another permitted operator.

The AMHS carried approximately 185,000 passengers in calendar year 2024. Based on this ridership baseline, DOR estimates that charitable gaming on AMHS vessels could generate between zero and \$0.7 million in annual revenue to the AMHS fund beginning in the first full year of implementation.

Revenue to the AMHS fund would consist of the following sources:

1. Annual gaming permit fee of \$10,000 per vessel per AS 05.15.020(d).
2. Tax of ten percent of gross receipts from gaming activities per AS 05.15.300(b).
3. Net proceeds fee of one percent of net proceeds if gross receipts exceed \$20,000 per AS 05.15.020(b). This fee flows to the general fund unless DOT&PF is the permittee.
4. All revenue received by DOT&PF acting as a qualified organization on behalf of AMHS, including net proceeds, if DOT&PF holds the permit.

Implementation Cost

The DOR Charitable Gaming group is a very small group within the Tax Division. This bill would create an added burden on the group that would be beyond their current capacity to meet. In order to provide adequate service and enforcement, the Division would need to add two Tax Auditor 2 positions to support the Charitable Gaming Group, along with travel authority to perform audits, services authority to pay statewide overhead rates, and one-time commodity costs for initial position startup supplies and equipment.

These costs would be funded through general fund program receipts, supported by the increased collections under this bill.

Additionally, this legislation would require the department to make changes to its Tax Revenue Management System (TRMS). Resources required to implement this bill would include staff time to update forms, TRMS, and Revenue Online, and other miscellaneous costs. These costs will be absorbed by the Tax Division using existing resources.