

1 IN THE HOUSE BY THE WAYS AND MEANS COMMITTEE
2 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 11
3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA
4 TWENTY-THIRD SESSION

5 A BILL
6 For an Act entitled: "An Act relating to coin-operated amusement
7 and gaming devices, and slot machines;
8 amending Sections 48-3-1, 48-3-2, 48-3-3,
9 48-3-4 and 48-3-5, ACLA 1949; and setting
10 an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

12 Section 1. Sec. 48-3-1, ACLA 1949, is hereby amended to
13 read as follows:

14 Sec. 48-3-1. AMOUNT OF TAX. Every person who desires
15 to maintain for use, or permits the use of, in any place or
16 premises occupied by him, a coin-operated amusement device,
17 slot machine or a coin-operated gaming device as herein-
18 after defined, shall first pay a tax as follows:

19 (a) \$10.00 ~~/\$50.00/~~ per year for each device de-
20 fined in Section 2(a) (48-3-2 herein).

21 (b) \$100.00 ~~/\$200.00/~~ per year for each device
22 defined in Section 2(b) (48-3-2 herein).

23 (c) \$200.00 per year for each device defined in
24 Section 2(c) (48-3-2 herein); provided, however, that
25 no additional tax shall be levied where a device with-
26 in a given classification is replaced by another of
27 the same classification.

28 Sec. 2. Sec. 48-3-2, ACLA 1949, is hereby amended to read
29 as follows:

1 Sec. 48-3-2. TERMS DEFINED. As used in Section 1
2 hereof (48-3-1 herein), the following terms shall mean:

3 (c) "Coin-operated amusement device" denotes any
4 entertainment or amusement device or apparatus which
5 operates by means of insertion of a coin, token or
6 other similar object [WHICH DOES NOT INVOLVE AN ELE-
7 MENT OF CHANCE, EXCEPTING COIN-OPERATED RADIOS]. Any
8 device described in subsection (b) of this section
9 which does not entitle the person playing or operating
10 the machine to receive cash, premiums, merchandise or
11 tokens may be taxed as a "coin-operated amusement de-
12 vice", provided, that the taxpayer first submit a
13 sworn statement that the particular device does not
14 entitle the person playing or operating the machine to
15 receive cash, premiums, merchandise or tokens.

16 (b) "Coin-operated gaming device" denotes any
17 [SO-CALLED SLOT MACHINE,] pin-ball, horse-race machine
18 or any other apparatus or device which operates or may
19 be operated by means of insertion of a coin, token or
20 similar object and which, by embodying the element of
21 chance, [MAY DELIVER, OR] entitles the person playing
22 or operating the machine to receive cash, premiums,
23 merchandise, or tokens. The term does not include
24 bona fide vending machines in which are not incorpo-
25 rated gaming or amusement features. For the purpose of
26 this section, a vending machine operated by means of a
27 one-cent coin, which, when it dispenses a prize, never
28 dispenses a prize of a retail value of, or entitles a
29 person to receive a prize of a retail value of,

1 more than five cents, and if the only prize dispensed
2 is merchandise and not cash or tokens, shall be clas-
3 sified under Section 1 (a) hereof (48-3-1 herein).
4 (c) "Slot machine" denotes any apparatus or de-
5 vice which operates or may be operated by means of in-
6 sertion of a coin, token or similar object and which by
7 strict dependence upon the element of chance, may de-
8 liver or entitle the person playing or operating the
9 machine to receive, cash, premiums, merchandise or
10 tokens. Devices and apparatuses otherwise falling with-
11 in the classification of subsection (b) of this section,
12 even though not strictly dependent upon the element of
13 chance shall be taxed according to the rate applicable
14 to slot machines where the device or apparatus itself
15 delivers cash directly to the person playing or opera-
16 ting the game.

17 Sec. 3. Sec. 48-3-3 APLA 1949, is hereby amended to read
18 as follows:

19 Sec. 48-3-3. PAYMENTS TO BE MADE TO TAX COMMISSIONER:
20 RECEIPTS AND PENALTIES. Tax payments specified in Section 1
21 NEW (48-3-1 herein) shall be made to the Tax Commissioner prior
22 M to the installation for operation of any taxable device
23 A under this Act; provided, however, that the tax shall be
24 T pre-rated for any taxable device installed after January
25 T 31st in any given year from the beginning of the month
26 E within which such device is installed through the remainder
27 R of the calendar year. The Tax Commissioner [WHO] shall
28 give appropriate receipts therefor. Such receipts must be
29 kept for inspection in the manner required under such rules

1 as the Tax Commissioner may prescribe.

2 In case of change of ownership or operation of the
3 premises in which a taxable device or devices are located,
4 such receipts shall be transferred by the Tax Commissioner
5 or his duly authorized agent to the new owner or operator
6 upon payment of a transfer fee of \$5.00.

7 Taxes on devices in operation at the close of the
8 calendar year shall be paid on or before the 31st day of
9 January of the year in which the tax is due.

10 The following penalties shall be assessed and collected
11 for failure or omission to pay any such tax when due:

12 (a) For the first month or a fraction thereof,
13 5% of the tax due;

14 (b) For the second month or a fraction thereof,
15 10% of the tax due;

16 (c) For the third month or a fraction thereof,
17 15% of the tax due;

18 (d) For the fourth month or a fraction thereof,
19 20% of the tax due;

20 (e) For the fifth month or a fraction thereof,
21 25% of the tax due;

22 (f) Thereafter 25% of the tax due.

23 Sec. 4. Sec. 48-3-4 ACLA 1949, is hereby amended to read
24 as follows:

25 Sec. 48-3-4. TAX RETURNS: CONTENTS. Any person sub-
26 ject to the provisions of Section 1 (48-3-1 herein) hereof
27 shall file ~~monthly~~ QUARTERLY returns on forms to be
28 available at any office of the Tax Commissioner, showing
29 the exact number of devices in operation on the date there-

1 of and the location of each, and such other information as
2 the Tax Commissioner may require.

3 Sec. 5. Sec. 48-3-5 ACLA 1949, is hereby amended to read
4 in full as follows:

5 Sec. 48-3-5. OPERATION BY PERSONS UNDER TWENTY-ONE
6 ~~EIGHTEEN~~: LOCATION NEAR SCHOOLS. The operation of any
7 device, except music machines, covered by this Act by any
8 person under the age of twenty-one ~~EIGHTEEN~~ shall not be
9 permitted by any operator or other person having such
10 device in his charge. Excepting music machines, no machine
11 shall be placed, used, located or operated within a radius
12 of one hundred yards of any school building.

13 Sec. 6. EFFECTIVE DATE. This Act shall be retroactive to
14 January 1, 1957, and it is so enacted.

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