

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

JUDICIARY COMMITTEE SUBSTITUTE FOR
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. The business of importing, operating and maintain-
13 ing coin-operated amusement devices, coin-operated gaming devices
14 or slot machines is affected with a public interest and is a proper
15 subject of regulation. Abuses which have arisen and may arise
16 from the accumulation of numbers of such machines in a single
17 location require such regulation under the police powers of the
18 Territory of Alaska.

19 Section 2. Sec. 48-3-1, ACLA 1949, is hereby amended to
20 read as follows:

21 Sec. 48-3-1. AMOUNT OF TAX. Every person who desires
22 to maintain for use, or permits the use of, in any place or
23 premises occupied by him, a coin-operated amusement device,
24 slot machine or a coin-operated gaming device as hereinafter
25 defined, shall first pay tax as follows:

26 (a) \$10.00 ~~/\$50.00/~~ per year for each device defined
27 in Section 2(a) (48-3-2 herein).

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

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

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

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

10 (a) "Coin-operated amusement device" denotes any
11 entertainment or amusement device or apparatus which
12 operates by means of insertion of a coin, token or
13 other similar object ~~WHICH DOES NOT INVOLVE AN ELEMENT~~
14 OF CHANGE, EXCEPTING COIN-OPERATED RADIOS, Any
15 device described in subsection (b) of this section
16 which does not entitle the person playing or operating
17 the machine to receive cash, premiums, merchandise or
18 tokens may be taxed as a "coin-operated amusement device".
19 provided, that the taxpayer first submit a sworn
20 statement that the particular device does not entitle
21 the person playing or operating the machine to
22 receive cash, premiums, merchandise or tokens.

23 (b) "Coin-operated gaming device" denotes any
24 SO-CALLED SLOT MACHINE, pin-ball, horse-race machine
25 or any other apparatus or device which operates or may
26 be operated by means of insertion of a coin, token or
27 similar object and which, by embodying the element of
28 chance, MAY DELIVER, OR entitles the person playing
29 or operating the machine to receive cash, premiums,

1 merchandise, or tokens. The term does not include
2 bona fide vending machines in which are not incorpor-
3 ated gaming or amusement features. For the purpose of
4 this section, a vending machine operated by means of a
5 one-cent coin, which, when it dispenses a prize, never
6 dispenses a prize of a retail value of, or entitles a
7 person to receive a prize of a retail value of,
8 more than five cents, and if the only prize dispensed
9 is merchandise and not cash or tokens, shall be clas-
10 sified under Section 1 (a) hereof (48-3-1 herein).

11 (c) "Slot machine" denotes any apparatus or de-
12 vice which operates or may be operated by means of in-
13 scription of a coin, token or similar object and which by
14 strict dependence upon the element of chance, may de-
15 liver or entitle the person playing or operating the
16 machine to receive, cash, premiums, merchandise or
17 tokens. Devices and apparatuses otherwise falling with-
18 in the classification of subsection (b) of this section,
19 even though not strictly dependent upon the element of
20 chance shall be taxed according to the rate applicable
21 to slot machines where the device or apparatus itself
22 delivers cash directly to the person playing or opera-
23 ting the same.

24 (d) "Distributor" denotes any person or persons,
25 partnership, company or corporation engaged in selling,
26 trading, importing, renting, leasing, consigning or
27 operating on a percentage basis any coin-operated amuse-
28 ment device, coin-operated gaming device, or slot
29 machine as defined in this Act.

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

3. Sec. 48-3-3. PAYMENTS TO BE MADE TO TAX COMMISSIONER:
4. RECEIPTS AND PENALTIES. Tax payments specified in Section 1
5. (48-3-1 herein) shall be made to the Tax Commissioner prior
6. to the installation for operation of any taxable device
7. under this Act; provided, however, that the tax shall be
8. pro-rated for any taxable device installed after January
9. 31st in any given year from the beginning of the month
10. within which such device is installed through the remainder
11. of the calendar year. The Tax Commissioner WHO shall
12. give appropriate receipts therefor. Such receipts must be
13. kept for inspection in the manner required under such rules
14. as the Tax Commissioner may prescribe.

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

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

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

25. (a) For the first month or a fraction thereof,
26. 5% of the tax due;

27. (b) For the second month or a fraction thereof,
28. 10% of the tax due;

29. (c) For the third month or a fraction thereof,

1 15% of the tax due;

2 (d) For the fourth month or a fraction thereof,
3 20% of the tax due;

4 (e) For the fifth month or a fraction thereof,
5 25% of the tax due;

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

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

9 Sec. 48-3-4. TAX RETURNS: CONTENTS. Any person sub-
10 ject to the provisions of Section 1 (48-3-1 herein) hereof
11 shall file monthly ~~monthly~~ QUARTERLY returns on forms to be
12 available at any office of the Tax Commissioner, showing
13 the exact number of devices and the original serial numbers
14 thereof in operation on the date thereof and the location
15 of each, and such other information as the Tax Commissioner
16 may require. Such returns shall be filed on or before the
17 last day of the following month.

18 Sec. 6. Sec. 48-3-5 ACLA 1949, is hereby amended to read
19 as follows:

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

28 Section 7. No more than four coin-operated gaming devices,
29 as defined in Section 3 (b) hereof, shall be maintained or

1 permitted in any one place, premise or location.

2 Section 8. Every distributor of coin-operated equipment
3 as defined in Section 3 of this Act is required to:

4 (a) Pay an initial permit fee to the Department of Taxation
5 in the amount of \$500.00.

6 (b) File an affidavit with the Attorney General of the
7 Territory that he is a citizen of the United States and a bona
8 fide resident of the Territory of Alaska for more than three
9 years, and has never been convicted of a felony; provided, that,
10 in the case of a corporation such affidavit shall be required from
11 each stockholder and employee of such corporation.

12 Section 9. This Act shall take effect and be in force upon
13 its passage and approval; provided, that, the provisions of Sec-
14 tion 2 hereof shall be retroactive to January 1, 1957, and it is
15 so enacted.

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