

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 SECOND JUDICIARY COMMITTEE SUBSTITUTE FOR
3 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 11

4 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA
5 TWENTY-THIRD SESSION

6 A BILL

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

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

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

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

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

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

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

30 Sec. 2. Sec. 48-3-2, ACLA 1949, is hereby amended to read

1 as follows:

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

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

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

1 person to receive a prize of a retail value of, more
2 than five cents, and if the only prize dispensed is
3 merchandise and not cash or tokens, shall be classified
4 under Section 1 (a) hereof (48-3-1 herein).

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

18 (d) "Distributor" denotes any person or persons,
19 partnership, company or corporation engaged in selling,
20 trading, importing, renting, leasing, consigning or
21 operating on a percentage basis any coin-operated amuse-
22 ment device, coin-operated gaming device, or slot
23 machine as defined in this Act.

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

26 Sec. 48-3-3. PAYMENTS TO BE MADE TO TAX COMMISSIONER:
27 RECEIPTS AND PENALTIES. Tax payments specified in Section 1
28 (48-3-1 herein) shall be made to the Tax Commissioner prior
29 to the installation for operation of any taxable device

1 under this Act; provided, however, that the tax shall be
2 pro-rated for any taxable device installed after January
3 31st in any given year from the beginning of the month
4 within which such device is installed through the remainder
5 of the calendar year. The Tax Commissioner [], WHO shall
6 give appropriate receipts therefor. Such receipts must be
7 kept for inspection in the manner required under such rules
8 as the Tax Commissioner may prescribe.

9 In case of change of ownership or operation of the
10 premises in which a taxable device or devices are located;
11 such receipts shall be transferred by the Tax Commissioner
12 or his duly authorized agent to the new owner or operator
13 upon payment of a transfer fee of \$5.00.

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

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

19 (a) For the first month or a fraction thereof,
20 5% of the tax due;

21 (b) For the second month or a fraction thereof,
22 10% of the tax due;

23 (c) For the third month or a fraction thereof,
24 15% of the tax due;

25 (d) For the fourth month or a fraction thereof,
26 20% of the tax due;

27 (e) For the fifth month or a fraction thereof,
28 25% of the tax due;

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

1 Sec. 4. Sec. 49-3-4, ACLA 1949, is hereby amended to read
2 as follows:

3 Sec. 49-3-4. TAX RETURNS; CONTENTS. Any person sub-
4 ject to the provisions of Section 1 (49-3-1 herein) hereof
5 shall file monthly ~~monthly~~ QUARTERLY returns on forms to be
6 available at any office of the Tax Commissioner, showing
7 the exact number of devices in operation on the date there-
8 of and the location of each, and such other information as
9 the Tax Commissioner may require.

10 Sec. 5. DISTRIBUTOR FEES: FILING OF AFFIDAVIT BY DISTRIBUTU-
11 FOR. Every distributor of coin-operated equipment as defined in
12 Section 3 of this Act is required to:

13 (1) Pay an initial permit fee to the Department of
14 Taxation in the amount of \$500.00.

15 (2) File an affidavit with the Attorney General of the
16 Territory that he is a citizen of the United States and a bona
17 fide resident of the Territory of Alaska for more than three
18 years, and has never been convicted of a felony; provided, that,
19 in the case of a corporation such affidavit shall be required
20 from each stockholder and employee of such corporation.

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

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