

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

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, as amended by
9 Chapter 31, SLA 1949, 48-3-2, 48-3-3 and
10 48-3-4, ACLA 1949; and setting an effective
11 date."

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

13 Section 1. Sec. 48-3-1, ACLA 1949, as amended by Chapter
14 31, SLA 1949 is hereby amended to read as follows:

15 Sec. 48-3-1. AMOUNT OF TAX. Every person who owns
16 and permits the use of 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) \$50.00 per year for each device defined in
20 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).

23 (c) PERSONS WHO COMMENCE SUCH AMUSEMENT OF GAMING
24 DEVICE OPERATIONS AFTER MARCH 31 OF EVERY YEAR SHALL
25 BE TAXED AT 3/4 THE AMOUNT STATED FOR A FULL YEAR; AFTER
26 JULY 1 OF ANY YEAR SHALL BE TAXED AT 1/2 THE AMOUNT
27 STATED FOR THE FULL YEAR; AFTER SEPTEMBER 1 OF ANY YEAR
28 SHALL BE TAXED AT 1/4 THE AMOUNT STATED FOR THE FULL
29 YEAR. \$200.00 per year for each device defined in

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

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

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

9 (a) "Coin-operated amusement device" denotes any
10 entertainment or amusement device or apparatus which
11 operates by means of insertion of a coin, token or
12 other similar object ~~WHICH DOES NOT INVOLVE AN ELE-~~
13 MENT OF CHANCE, EXCEPTING COIN-OPERATED RADIOS. Any
14 device described in subsection (b) of this section
15 which does not entitle the person playing or operating
16 the machine to receive cash, premiums, merchandise or
17 tokens may be taxed as a "coin-operated amusement de-
18 vice", provided, that the taxpayer first submit a
19 sworn statement to the Tax Commissioner that the parti-
20 cular device does not entitle the person playing or
21 operating the machine to receive cash, premiums,
22 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, more
8 than five cents, and if the only prize dispensed is
9 merchandise and not cash or tokens, shall be classified
10 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 sertion 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. 3. Sec. 48-3-3, Act 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 of the taxable device
16 or devices such receipts shall be transferred by the Tax
17 Commissioner or his duly authorized agent to the new owner
18 or operator upon payment of a transfer fee of \$5.00.

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

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

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

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

28 (c) For the third month or a fraction thereof,
29 15% of the tax due;

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

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

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

6
7 Sec. 4. 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 ~~QUARTERLY~~ returns on forms to be
12 available at any office of the Tax Commissioner, showing
13 the exact number of devices in operation on the date there-
14 of the location of each, and such other information as
15 the Tax Commissioner may require.

16 Sec. 5. DISTRIBUTOR FEES: FILING OF AFFIDAVIT BY DISTRIBUTOR.
17 Every distributor of coin-operated equipment as defined in
18 Section 3 of this Act is required to:

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

21 (2) File an affidavit with the Tax Commissioner of the
22 Territory that he is a citizen of the United States and a bona
23 fide resident of the Territory of Alaska for more than three
24 years, and has never been convicted of a felony; provided, that,
25 in the case of a corporation such affidavit shall be required
26 from each stockholder and employee of such corporation.

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

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