

1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE
OF HOUSE AND SENATE

2 CS FOR S FOR SENATE BILL NO. 143

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to sanction and authorize the con-
7 duct of bingo and certain raffles and cer-
8 tain ice pools of a bona fide nonprofit
9 nature under permit from the Department of
10 Revenue; authorizing the said department
11 to make rules and regulations; and providing
12 for an effective date."

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

14 Section 1. AUTHORIZED GAMES OF CHANCE AND SKILL. a. The
15 commissioner of revenue shall have authority and may issue per-
16 mits to certain qualified organizations which shall give such
17 qualified organization the privilege of conducting any of the
18 following activities:

19 (1) Bingo, which is defined as a game of chance of, and
20 restricted to, the selling of rights to participate, and the
21 awarding of prizes, in the specific kind of game of chance some-
22 times known as bingo or lotto, played with cards bearing numbers
23 or other designations, five or more in one line, the holder
24 covering numbers when objects similarly numbered, are drawn from
25 a receptacle and the game being won by the person who first covers
26 a previously designated arrangement of numbers on such a card.

27 (2) Raffles and lotteries, if restricted to the selling
28 of rights to participate, and the awarding of prizes, in the
29 specified kinds of games of chance sometimes known as raffles

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1 or lotteries, conducted by the drawing for prizes by chance;

2 (3) Ice classics, which are defined as games of chance
3 wherein a prize of money is awarded for the closest guess of the
4 time the ice moves in a body of water or water course within the
5 state and being limited to the Nenana and Chena Ice Pools in the
6 same manner as they were conducted in 1959 and previous years.

7 (4) Dog mushers' contests in which prizes are awarded
8 for the correct guess of the racing time of a dog team or of
9 team position in the race, including prizes to the race con-
10 testants;

11 (5) Fish derbys, which are defined as contests in which
12 prizes are awarded for catching fish;

13 (6) Contests of skill, which are defined as contests
14 or games in which prizes are awarded for the demonstration of
15 human skills in marksmanship, races, and other athletic events.

16 b. The above activities may be permitted but only as a
17 privilege and the enumeration of the foregoing activities in no
18 way confers any right upon any person, firm, corporation, organi-
19 zation, or company to conduct such activities.

20 c. Only qualified organizations may be issued a permit.

21 "Qualified organization" means any bona fide civic or service
22 organization or any bona fide religious, charitable, fraternal,
23 educational, police or fire department company, dog mushers'
24 association, fishing-derby associations in the state, which
25 operate without profits to its members and which has been in
26 existence continually for a period of five years immediately
27 prior to the making of an application for a license. Organiza-
28 tions may be firms, corporations, companies, associations or
29 partnerships.

1 (1) "Civic or service organization" means any branch
2 or lodge or chapter of a national or state organization which is
3 a civic or service organization, not for pecuniary profit, and
4 authorized by its written constitution, charter, or articles of
5 incorporation, or by-laws to engage in a fraternal, civic or
6 service purposes within this state and which has been so engaged
7 for five years prior to making application for a license under
8 this Act.

9 (2) "Religious organization" means any organization,
10 church, body of communicants, or group, not for pecuniary profit,
11 gathered in common membership for mutual support and edification
12 in piety, worship and religious observances, or a society, not
13 for pecuniary profit, of individuals united for religious purposes
14 at a definite place or places, and which organization, church,
15 body of communicants, group, or society has been so gathered or
16 united for five years prior to making application for a license
17 under this Act and is recognized as a religious organization
18 under the federal income tax laws and the selective service law.

19 (3) "Charitable organization" means any organization,
20 not for pecuniary profit, which is operated for the relief of
21 poverty, distress, or other condition of public concern within
22 this state, and which has been so engaged for five years prior to
23 making application for a permit under this Act.

24 (4) "Fraternal organization" means any civic, service,
25 or charitable organization within this state, except college and
26 high school fraternities, not for pecuniary profit, which is a
27 branch or lodge or chapter of a national or state organization
28 and exists for the common business, brotherhood, or other interest
29 of its members and which has so existed for five years prior to

1 making application for a license under this Act.

2 (5) "Educational organization" means any civic, service
3 or charitable organization within this state, not for pecuniary
4 profit, whose primary purpose is educational in nature and de-
5 signed to develop the capabilities of individuals by instruction
6 and which has been in existence for five years prior to making
7 application for a license under this Act.

8 (6) "Veterans organization" means any civic, service
9 or charitable organization within this state, or any branch or
10 lodge or chapter of a national or state organization within this
11 state, not for pecuniary profit, the membership of which consists
12 of individuals who were members of the armed services or forces
13 of the United States, which has been in existence for five years
14 prior to making application for a license under this Act.

15 (7) "Police or fire department and company" means any
16 civic, service or charitable organization within this state, not
17 for pecuniary profit, established by the state or any of its
18 political subdivisions which has been in existence for five years
19 prior to making applications for a license under this Act.

20 (8) "Dog mushers' association" means any civic, service
21 or charitable organization within this state not for pecuniary
22 profit, formed exclusively to promote interest in the breeding
23 and training of dog teams for work or recreational and racing
24 purposes and which has been in existence for five years prior to
25 making application for a permit under this Act, but does not in-
26 clude organizations formed or operated for gaming or gambling
27 purposes.

28 (9) "Fishing derby association" means any civic, service
29 or charitable organization within this state, not for pecuniary

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1 profit, whose primary purpose is to promote interest in fishing
2 for recreational purposes and which has been in existence for
3 five years prior to making application for a permit under this
4 Act, but does not include organizations formed or operated for
5 gaming or gambling purposes.

6 d. The commissioner of revenue shall have the power to
7 supplement the above definitions of qualified organizations and
8 activities by rules and regulations made pursuant to this Act
9 adding to such definitions such additional requirements as the
10 commissioner deems necessary for the best interests of the public
11 or for the proper administration of this Act.

12 No permit may be issued or renewed hereunder except upon
13 proof, satisfactory to the commissioner of revenue, that the
14 applicant for such permit is a qualified organization, the ac-
15 tivity is one which may be permitted under this Act, and the
16 issuance of a permit will not be detrimental to the best in-
17 terests of the public. Upon request of the commissioner of
18 revenue, the applicant shall be required to prove conclusively
19 each of the above requirements before a permit may be issued or
20 renewed under this Act.

21 e. The authority granted by this section is contingent upon
22 the dedication of the net proceeds of such raffles or contests,
23 to the awarding of prizes to contestants or participants and to
24 educational, civic, public, charitable, patriotic or religious
25 uses in the state. "Educational, civic, public, charitable,
26 patriotic, or religious uses" are defined to be the benefiting
27 of an indefinite number of persons either by bringing them under
28 the influence of education or religion or relieving them from
29 disease, suffering, or constraint, or by assisting them in

1 establishing themselves in life, or by erecting or maintaining
2 public buildings or works, or otherwise lessening the burden of
3 government. Such terms do not include the erection, acquisition,
4 improvement, maintenance, or repair of property, real, personal,
5 or mixed, unless such property is and shall be used exclusively
6 for one or more of the uses hereinabove stated.

7 The net proceeds derived from the activity must be devoted
8 within one year to one or more of the uses hereinabove stated.
9 Any organization desiring to hold the net proceeds for a period
10 longer than one year must apply to the commissioner of revenue
11 for special permission and upon good cause shown the commissioner
12 may grant the request.

13 "Net proceeds" means the gross receipts less such expenses,
14 prizes, dues, or charges, fees, and deductions as are specifically
15 authorized under this Act.

16 No item of expense shall be incurred or paid in connection
17 with the holding, operating or conducting of any activity, held,
18 operated or conducted pursuant to any license issued under this
19 Act, except bona fide expenses in reasonable amount for goods,
20 wares, and merchandise furnished or services rendered, reasonably
21 necessary for the holding, operating or conducting thereof.

22 "Gross receipts" means receipts from the sale of shares,
23 tickets or rights in any manner connected with participation in
24 any activity permitted under this Act or the right to participate
25 therein, including any admission, fee or charge, sale of equip-
26 ment or supplies, and all other miscellaneous receipts.

27 Sec. 2. LIMITATIONS. This Act shall not be construed to
28 authorize the use of any playing cards, dice, roulette wheels,
29 coin-operated instruments or machines, or other objects or

1 instruments used, designed, or intended primarily for gaming or
2 gambling or any other method or implement not expressly authorized
3 by the commissioner.

4 No activity shall be licensed hereunder unless it existed
5 in Alaska in substantially the same form and was conducted in
6 substantially the same manner prior to January 1, 1959.

7 Sec. 3. ADMINISTRATION. Administration of the provisions
8 hereof shall be under the Department of Revenue. No activity
9 permitted under Sec. 1 hereof shall be conducted unless an annual
10 permit therefor issued by the said department is first obtained
11 and a fee of \$10.00 is paid to the department. No activity shall
12 be permitted for a period of fifteen days after application. At
13 the time of filing of application the applicant must notify the
14 city or borough nearest to the location of the activity sought to
15 be licensed of the application. During this period any local
16 government unit can protest the conduct of the activity sought to
17 be licensed in its jurisdiction by resolution stating the reasons
18 for the protest to the Department of Revenue; protests shall be
19 limited to lack of qualifications under this Act.

20 This resolution shall be considered only as a recommendation
21 by the city which may be considered by the commissioner in his
22 determination of whether a permit should be issued.

23 After the fee has been paid, a valid permit issued, and
24 during such time as the permit continues to be valid and has
25 not been revoked, suspended or otherwise invalidated, the organi-
26 zation will have the privilege of conducting the activity spe-
27 cifically named on the permit and permitted by this Act. In the
28 event any permit is revoked, a permittee or holder thereof shall
29 not be eligible to apply for another permit until after the

1 expiration of the period of one year from the date of such
2 revocation. A permit shall expire at the end of the period
3 for which it was issued. No permit issued under this Act shall
4 be transferable.

5 When a permit is ordered suspended or revoked, the permittee
6 shall surrender up the permit to the Department of Revenue on
7 or before the effective date of the suspension or revocation.
8 No permit shall be valid beyond the effective date of the suspen-
9 sion or revocation, whether surrendered or not.

10 Sec. 4. RULES AND REGULATIONS. a. The commissioner of
11 revenue shall, under the provisions of the Administrative Procedure
12 Act, and is hereby required, within six months of the effective
13 date of this Act to adopt rules and regulations, not inconsistent
14 with law as may be necessary to carry into effect the provisions
15 of this Act and covering, but not limited to the following:

16 (1) The issuance, renewal, and revocation of permits;

17 (2) A method of ascertaining net proceeds, the deter-
18 mination of items of expense which may be incurred or paid and
19 the limitation of the amount of such items of expense to prevent
20 the proceeds from the activity permitted from being diverted to
21 noncharitable, noneducational, nonreligious, or profit-making
22 organizations, individuals or groups;

23 (3) The immediate revocation of permits should this law
24 or regulations issued hereto be violated;

25 (4) The requiring of detailed, sworn, financial reports
26 of operations from permittees including detailed statements of
27 receipts and payments;

28 (5) The investigation of permittees and all their
29 employees, including the fingerprinting of all such permittees and

1 employees as he shall deem advisable;

2 (6) Exclusion from participation as a permittee or
3 employee thereof of any person who has been convicted of a felony,
4 any crime involving moral turpitude, or violation of any muni-
5 cipal, state, or federal gambling law;

6 (7) The method and manner of conducting such activity
7 and awarding of prizes or awards, and the equipment which may be
8 used;

9 (8) The number of activities which may be held,
10 operated, or conducted pursuant to any permit issued under the
11 Act, during any specified period;

12 (9) A method of accounting for all receipts and dis-
13 bursements including the keeping of records and requirements for
14 the separate banking of all receipts, and payments by check only;

15 (10) The disposition of any funds in possession of a
16 permittee at the time a permit is surrendered, revoked or in-
17 validated;

18 (11) To adopt such other rules and regulations which
19 the commissioner deems necessary for carrying out the provisions
20 of this Act or protect the best interests of the public.

21 b. Notwithstanding the provisions of Sec. 4a. of this Act,
22 the commissioner of revenue may, during the year 1960, forthwith
23 upon application issue a temporary permit to any qualified or-
24 ganization to relieve such organization from undue hardship upon
25 such showing as the commissioner deems necessary. The commissioner
26 shall have authority to promulgate emergency regulations which
27 shall be applicable to all temporary permits issued under this
28 section. The privilege of conducting any activity under this
29 temporary permit may be immediately revoked by the commissioner
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1 at any time in the manner provided for the suspension of all per-
2 mits issued pursuant to this Act. A temporary permit issued under
3 this section shall be valid for a period not to exceed 90 days.
4 The fee for such permit shall be \$3.00.

5 Sec. 5. SUSPENSION OF PERMIT. The commissioner of revenue
6 may immediately suspend any permit issued under this Act pending
7 investigation or hearing. The suspension shall be effective upon
8 the giving of notice to the permittee. Such notice may be given
9 by delivery or handing written notice to the permittee or any
10 person conducting an activity under the permittee's permit or
11 the mailing of such notice to the permittee at the address
12 shown on the permit. A permit may be suspended under this section
13 for a period of 90 days or until the end of any hearing or other
14 proceeding commenced during such suspension. The authority given
15 the commissioner under this section shall not be subject to the
16 Administrative Procedure Act.

17 Sec. 6. EXAMINATION: PUBLIC REPORT. The commissioner shall
18 have power to examine or cause to be examined the books and records
19 of any permittee. The permittee may be required to pay the
20 reasonable cost of any such examination. The commissioner shall
21 have authority to issue subpoenas for the attendance of witnesses
22 and the production of books, records, and other documents.

23 If the licensed activity grosses over \$500.00, the permittee
24 shall, within 15 days after the holding of the specific activity,
25 file for public inspection with the city or borough clerk nearest
26 to the location of the activity licensed and with the commissioner
27 of revenue, an itemized statement showing all income and expense
28 in connection with the specific activity licensed; if the licensed
29 activity grosses over \$20,000.00, the time for filing the said

1 report may be extended for a period not to exceed 60 days by the
2 commissioner of revenue.

3 Sec. 7. PENALTY. Every permittee and every officer, agent,
4 or employee of the permittee and every other person or corpora-
5 tion who wilfully violates or who procures, aids, or abets in
6 the wilful violation of this Act, shall be deemed guilty of a
7 misdemeanor.

8 Sec. 8. INTERPRETATION AND CONSTRUCTION. If any provision
9 of this Act, or regulation made pursuant to this Act, is deter-
10 mined to be unlawful, then all permits issued in connection with
11 the licensed activity to which the unlawful provision or regula-
12 tion related shall be cancelled.

13 Sec. 9. REPORTS TO THE LEGISLATURE. Within 10 days after
14 the convening of the legislature each year the commissioner of
15 revenue shall submit a detailed report containing a summary of
16 all reports required of permittees and recommending a permit fee
17 scale that will cover costs of administration and enforcement.
18 In addition, the attorney general and the commissioner of public
19 safety shall, within 10 days after the convening of the legisla-
20 ture each year, submit a jointly prepared, detailed report out-
21 lining the effect, if any, of the operation of this Act on the
22 legal and law enforcement activities of the state.

23 Sec. 10. EFFECTIVE DATE. This Act takes effect on the day
24 after its passage and approval or on the day it becomes law
25 without such approval.
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