

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

IN THE SENATE

BY THE FINANCE COMMITTEE

SENATE BILL NO. 206

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIRST LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to coin-operated amusement, gambling and gaming devices and distributors thereof; repealing and re-enacting Sec. 48-3-1, ACLA 1949 as amended by Ch. 31, SLA 1949; repealing and re-enacting Secs. 48-3-2, 48-3-3, and 48-3-4, ACLA 1949; repealing and re-enacting Sec. 48-3-6, ACLA 1949 as amended by Ch. 31, SLA 1949; and providing for an effective date."

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

Section 1. Sec. 48-3-1, ACLA 1949 as amended by Ch. 31, SLA 1949, is repealed and re-enacted to read as follows:

Sec. 48-3-1. AMOUNT OF TAX. Every person who maintains for use or permits the use on premises under his control of a coin-operated device class 1, class 2, or class 3, as defined in Sec. 48-3-2, shall first pay a tax as follows:

- (1) \$50.00 per year for each coin-operated device class 1;
- (2) \$125.00 per year for each coin-operated device class 2;
- (3) \$250.00 per year for each coin-operated device class 3;
- (4) No additional tax shall be levied where a device within a given classification is replaced by another

1 of the same classification;

2 (5) The tax herein imposed shall be reduced by one-
3 twelfth for the entirety of each month which has elapsed from
4 and after the first day of January of each year to the date
5 upon which said device is placed in operation. For the pur-
6 poses of this Act any remaining portion of any month shall be
7 considered as one full month.

8 Sec. 2. Sec. 48-3-2, ACLA 1949 is repealed and re-enacted to
9 read as follows:

10 Sec. 48-3-2. TERMS DEFINED. As used in Secs. 48-3-1
11 through 48-3-5, ACLA 1949, as amended, the following terms
12 shall mean:

13 (1) "coin-operated device class 1" denotes any
14 entertainment or amusement device or apparatus which operates
15 by means of insertion of a coin, token or other similar ob-
16 ject, which does not involve an element of chance, excepting
17 coin-operated radios.

18 (2) "coin-operated device class 2" denotes any pin-
19 ball machine, including any bingo type coin-operated devices,
20 horse race machine or any other apparatus or device which
21 operates by means of insertion of a coin, token, or similar
22 object and which, by embodying the element of skill, award
23 free plays in any manner and which contain a device for re-
24 leasing such free plays and a meter for registering or record-
25 ing the plays so released, or with a provision for multiple
26 coin insertion for increasing the odds. The term does not in-
27 clude bona fide vending machines in which are not incorporate
28 gaming or amusement features. For the purpose of this section,
29 a vending machine operated by a one cent coin, which, when it

1 dispenses a prize, never dispenses a prize of a retail value
2 of, or entitles a person to receive a prize of a retail value
3 of, more than five cents, and if the only prize dispensed is
4 merchandise and not cash or tokens, shall be classified under
5 subsection (1) of this section.

6 (3) "coin-operated device class 3" denotes any
7 slot machine or other apparatus or device which operates or
8 may be operated by means of insertion of a coin, token or
9 similar object and which by strict dependence upon the ele-
10 ment of chance, may deliver or may entitle the person playing
11 or operating the machine to receive cash, premiums, merchan-
12 dise or tokens. Devices and apparatus otherwise falling with-
13 in the classification of subsection (2) of this section, even
14 though not strictly dependent upon the element of chance
15 shall be taxed according to the rate applicable to slot ma-
16 chines where the device or apparatus itself delivers cash
17 directly to the person playing or operating the same.

18 (4) "distributor" denotes any person or persons,
19 partnership, company, or corporation who directly provide or
20 furnish one or more coin-operated devices as defined in this
21 section on a lease, rental, or other basis, for operation on
22 a premise or premises not owned by him and not under his
23 jurisdiction or control.

24 Sec. 3. Sec. 48-3-3, ACLA 1949, is repealed and re-enacted
25 to read as follows:

26 Sec. 48-3-3. PAYMENTS TO BE MADE TO COMMISSIONER:
27 RECEIPTS: PENALTIES: VIOLATIONS. Tax payments specified in
28 Sec. 48-3-1 shall be made to the commissioner of revenue
29 prior to the installation for operation of any device taxable

1 under Sec. 48-3-1; provided, however, that the tax shall be
2 prorated for any taxable device installed after January 31 in
3 any given year from the beginning of the month within which
4 such device is installed through the remainder of the calen-
5 dar year. The commissioner of revenue shall give the appro-
6 priate receipts therefor. Such receipts shall be kept for
7 inspection in the manner required under such rules as the
8 commissioner of revenue may prescribe.

9 In case of change of ownership of the taxable device or
10 devices such receipts shall be transferred by the commission-
11 er of revenue or his duly authorized agent to the new owner
12 or operator upon payment of a transfer fee of \$5.00, which
13 shall be covered into the general fund. Application for the
14 transfer of the receipt shall be made within 30 days after the
15 change of ownership. Taxes on devices on which all taxes have
16 been paid and which are in operation at the close of the pre-
17 ceding calendar year shall be paid on or before the 31st day
18 of January of the year in which the tax is due.

19 Any person who violates any provision of this Act is
20 guilty of a misdemeanor and upon conviction is punishable by
21 a fine of not less than \$100.00.

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

24 (1) For the first month or fraction thereof, 10%
25 of the tax due;

26 (2) For the second month or fraction thereof, 15%
27 of the tax due;

28 (3) For the third month or fraction thereof, 20%
29 of the tax due;

1 (4) For the fourth month or fraction thereof, 25%
2 of the tax due;

3 (5) For the fifth month or fraction thereof, 30%
4 of the tax due;

5 (6) Thereafter 50% of the tax due.

6 Sec. 4. Sec. 48-3-4, ACLA 1949, is repealed and re-enacted
7 to read as follows:

8 Sec. 48-3-4. DISTRIBUTOR FEES: FILING OF AFFIDAVIT BY
9 DISTRIBUTOR. Every distributor of coin-operated equipment as
10 defined in Sec. 48-3-2 is required to:

11 (1) Pay an annual permit fee to the Department of
12 Revenue in the amount of \$50.00 to be covered into the
13 general fund.

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

20 Sec. 5. Sec. 48-3-6, ACLA 1949 as amended by Ch. 31, SLA
21 1949, is repealed and re-enacted to read as follows:

22 Sec. 48-3-6. DISTRIBUTION OF TAX. One-half of the pro-
23 ceeds of the gross revenue from the tax herein provided, ex-
24 cluding distributors' fees, penalties, and less the amount
25 duly determined to have been spent by the state in its col-
26 lection, shall be refunded to the incorporated municipality
27 by action of the legislature in the proportion that such
28 revenue was earned within the incorporated municipality and
29 the balance shall be retained by the state and covered into

1 its general fund.

2 Sec. 6. This Act shall be retroactive to January 1, 1960.

3 Sec. 7. This Act takes effect on the day after its passage
4 and approval or on the day it becomes law without such approval.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29