

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 206

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to coin-operated devices  
7 and distributors thereof; repealing and re-  
8 enacting Sec. 48-3-1, ACLA 1949 as amended  
9 by Ch. 31, SLA 1949; repealing and re-enact-  
10 ing Secs. 48-3-2, 48-3-3, 48-3-4, and 48-3-5,  
11 ACLA 1949; repealing and re-enacting Sec.  
12 48-3-6, ACLA 1949 as amended by Ch. 31, SLA  
13 1949; repealing and re-enacting Secs. 48-3-7  
14 and 48-3-8, ACLA 1949; prescribing penalties;  
15 and providing for an effective date."

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

17 Section 1. Sec. 48-3-1, ACLA 1949 as amended by Ch. 31, SLA  
18 1949, is repealed and re-enacted to read as follows:

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

- 23 (1) \$48.00 per year for each coin-operated device  
24 class 1;  
25 (2) \$120.00 per year for each coin-operated device  
26 class 2;  
27 (3) \$240.00 per year for each coin-operated device  
28 class 3;  
29 (4) No additional tax shall be levied where a

CS for SB #206 as amended  
by the House

-1-

1 device within a given classification is replaced by another  
2 of the same classification;

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

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 Sec. 48-3-2, ACLA 1949 is repealed and re-enacted to  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

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

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

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

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

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

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

21 Sec. 48-3-3. PAYMENTS TO BE MADE TO COMMISSIONER:  
22 RECEIPTS: PENALTIES: VIOLATIONS. Tax payments specified in  
23 Sec. 48-3-1 shall be made to the commissioner of revenue  
24 prior to the installation for operation of any device taxable  
25 under Sec. 48-3-1; provided, however, that the tax shall be  
26 prorated for any taxable device installed after January 31 in  
27 any given year from the beginning of the month within which  
28 such device is installed through the remainder of the calen-  
29 dar year. The commissioner of revenue shall give the appro-

1        puate receipts therefor. Such receipts shall be kept for  
2        inspection in the manner required under such rules as the  
3        commissioner of revenue may prescribe.

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

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

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

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

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

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

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

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

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

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

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

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

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

15           Sec. 5. Sec. 48-3-5, ACLA 1949 is repealed and re-enacted  
16 to read as follows:

17           Sec. 48-3-5. OPERATION BY PERSONS UNDER EIGHTEEN:  
18 LOCATION NEAR SCHOOLS. The operation of any device, except  
19 music machines, covered by this Act by any person under the  
20 age of eighteen years shall not be permitted by any operator  
21 or other person having such device in his charge, and such  
22 operator or person shall place a conspicuous notice of this  
23 prohibition, in accordance with standards to be fixed by the  
24 commissioner of revenue, on each device. Excepting music  
25 machines, no machine shall be placed, used, located or  
26 operated within a radius of one hundred yards of any school  
27 building.

28           Sec. 6. Sec. 48-3-6, ACLA 1949 as amended by Ch. 31, SLA  
29 1949, is repealed and re-enacted to read as follows:

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

Sec. 48-3-6. DISTRIBUTION OF TAX. One-half of the proceeds of the gross revenue from the tax herein provided, excluding distributors' fees, penalties, and less the amount duly determined to have been spent by the state in its collection, shall be refunded to the incorporated municipality by action of the legislature in the proportion that such revenue was earned within the incorporated municipality and the balance shall be retained by the state and covered into its general fund.

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

Sec. 48-3-7. ORDERS, RULES AND REGULATIONS. The commissioner of revenue has the power to issue all orders, rules and regulations necessary to carry out the provisions of this Act.

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

Sec. 48-3-8. GAMBLING NOT LEGALIZED. This Act shall not be construed in any way to legalize gambling or the possession of any gambling device.

Sec. 9. This Act shall be retroactive to January 1, 1960.

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