

Introduced: 2/16/66
Referred: Judiciary and
Finance

1 IN THE HOUSE

BY MCCOMBE

2 HOUSE BILL NO. 419

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the establishment of a
7 state-operated lottery; and providing for an
8 effective date."

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

10 * Section 1. AS 43 is amended by adding a new chapter to read:

11 CHAPTER 17. ALASKA LOTTERY AUTHORITY

12 Sec. 43.17.010. ALASKA LOTTERY AUTHORITY. There is
13 created within the Department of Revenue the Alaska Lottery
14 Authority. The authority consists of five members appointed
15 by the governor for overlapping terms of five years from
16 among residents of the state, one member from the senate, and
17 one member from the house of representatives. Appointments
18 are subject to confirmation by a majority of the legislature
19 in joint session. The terms of the legislative members shall
20 run concurrently with their term of elected office. A member
21 appointed to fill a vacancy occurring other than by expiration
22 of a term shall serve for the unexpired term of the member
23 he succeeds.

24 Sec. 43.17.020. QUORUM. A majority of the authority
25 constitutes a quorum for the transaction of business.

26 Sec. 43.17.030. COMPENSATION AND EXPENSES. Members of
27 the authority receive no salary, but are entitled to per diem
28 and travel expenses authorized by law for members of other
29 commissions and boards.

1 Sec. 43.17.040. AUTHORITY STAFF. The authority shall
2 employ an executive director, and may employ other persons
3 necessary to accomplish its purpose. The authority may
4 delegate any of its powers to the executive director.

5 Sec. 43.17.050. POWERS AND DUTIES OF THE AUTHORITY.
6 The authority shall

7 (1) prepare a plan for encouraging public donations
8 to the lottery fund through the sale of tickets for drawings
9 which will determine the winners of prizes;

10 (2) promulgate regulations necessary to carry out
11 this chapter;

12 (3) supervise the sale of tickets and the draw-
13 ings;

14 (4) make regular inspection of all places, devices,
15 and materials used in the conduct of drawings and make regu-
16 lar inquiry into the conduct of drawings to determine whether
17 correction or improvement is needed in any phase.

18 Sec. 43.17.060. DEPOSIT OF PROCEEDS. One-half of the
19 gross proceeds from each drawing shall be placed in the
20 general fund as unrestricted receipts. The remaining one-
21 half shall be placed in the general fund as restricted pro-
22 gram receipts to be paid out as prizes to winners of the
23 drawing.

24 Sec. 43.17.070. CONDUCT OF DRAWINGS. (a) The
25 authority shall hold three or more drawings in each calendar
26 year. Tickets shall be put on sale at least three months
27 before each drawing, and shall be sold until as near the time
28 of the drawing as sound administration permits. The sale
29 price of each ticket shall not exceed \$2. Tickets are not

1 transferable. The authority shall take proper precaution to
2 prevent duplication, counterfeiting, or other misuse of the
3 tickets. Tickets may not be sold outside the state.

4 Sec. 43.17.080. SALE OF TICKETS. (a) The authority
5 shall appoint as a ticket seller any person who applies and
6 who

7 (1) is at least 19 years of age;

8 (2) files a bond or offers other security in an
9 amount sufficient to cover tickets he receives from the
10 authority for sale to the public, to be in no case less than
11 \$500;

12 (3) has resided in the state for at least one year;

13 (4) has been convicted of no crime involving moral
14 turpitude;

15 (5) has not lost his appointment for misuse.

16 (b) The authority shall supply to each seller in the
17 state the number of tickets requested by him. However, it
18 shall not permit the seller to have in his possession tickets
19 having an aggregate face value greater than the bond or
20 security posted by the seller.

21 (c) The authority shall specify by regulation the
22 amount of commission which sellers are entitled to for selling
23 tickets. The commission shall not be set at a rate higher
24 than necessary to induce a sufficient number of persons in
25 the state to become sellers. Each seller shall remit the
26 proceeds of ticket sales to the authority by secure means not
27 less than once a month.

28 (d) The authority may cancel the appointment of a
29 ticket seller, after a hearing held in accordance with the

1 Administrative Procedure Act (AS 44.62), for a violation of
2 this chapter or a rule or regulation promulgated under it,
3 or if the seller loses or is shown not to have had any one of
4 the requisite qualifications.

5 (e) The authority may waive the requirement for bond,
6 as provided for in (a)(2) of this section, if the ticket
7 seller is a charitable organization, an established nonprofit
8 organization, or a public body.

9 Sec. 43.17.090. ACTION ON BOND OR SECURITY. The
10 authority shall bring an action on the bond of a seller or
11 foreclose on the security provided by him if tickets supplied
12 to him or money received by him for the tickets have not been
13 received in due course and it appears that they will not be
14 received. If, after forfeiture of the bond or security,
15 tickets are returned within six months, the authority shall
16 make an appropriate refund. It shall bring any other action
17 necessary to protect the fund and shall make any arrangements
18 or adjustments with ticket sellers that fairness requires.

19 Sec. 43.17.100. MINORS INELIGIBLE FOR PRIZES. A
20 ticket seller shall not sell a ticket to a person who is
21 younger than 19 years of age. A person who is younger than
22 19 years of age is not eligible to receive a prize. In the
23 event that a winning ticket is held by such a person, the
24 purchase price of the ticket shall be refunded to him and
25 the prize money treated in the same manner as the portion of
26 proceeds not paid out as prizes.

27 Sec. 43.17.110. PROCEEDS OF THE DRAWING. One-half of
28 the gross proceeds from each drawing shall be paid out as
29 prizes in individual amounts determined by the authority.

1 Each prize shall be at least \$500 but no prize shall exceed
2 \$25,000.

3 Sec. 43.17.120. FAIRNESS. The authority shall adopt
4 regulations which minimize the possibility of unfairness or
5 corruption in the drawing. It may at any time terminate
6 sales for a particular drawing, call off a drawing, and re-
7 fund the money of purchasers, or take any other appropriate
8 steps if there is a possibility that the drawing will not be
9 fair. The authority may request the attorney general to
10 seek an injunction or bring a criminal action against a per-
11 son who violates a provision of this chapter or regulation
12 promulgated under it.

13 Sec. 43.17.130. VIOLATIONS. (a) A person who cor-
14 ruptly influences the outcome of a drawing or who attempts to
15 do so, is guilty of a felony, and upon conviction is punish-
16 able by a fine of not more than \$25,000, or by imprisonment
17 for not more than five years, or by both.

18 (b) A person who violates any other provision of this
19 chapter or a regulation of the authority is guilty of a
20 misdemeanor and is punishable by a fine of not more than
21 \$5,000, or by imprisonment for not more than one year, or by
22 both.

23 * Sec. 2. AS 11.60 is amended by adding a new section to read:

24 Sec. 11.60.065. EXCEPTION. Secs. 10 - 60 of this
25 chapter do not apply to drawings held by the lottery author-
26 ity established and conducted under AS 43.17.

27 * Sec. 3. Within 30 days after the effective date of this Act
28 the governor shall appoint the Alaska Lottery Authority. At the
29 time of these appointments, the governor shall designate which

1 members have been appointed for the terms of service provided by
2 AS 43.17.010. Within 14 days after the last of the original
3 appointments have been made, the authority shall meet and organize

4 * Sec. 4. The secretary of state shall place the following
5 question on a ballot for submission to the voters of the state in
6 the general election of 1966:

7 Do you favor the establishment of a state-operated
8 lottery in Alaska?

9 YES [] NO []

10 * Sec. 5. Sections 1 - 3 of this Act do not take effect unless
11 a majority of the voters in the general election of 1966 vote
12 "yes" on the proposition specified in sec. 5 of this Act. If a
13 majority of the voters do vote "yes," secs. 1 - 3 of this Act take
14 effect January 1, 1967.

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