

Introduced: 4/7/66  
Referred: Labor and  
Management

1 IN THE SENATE

BY THE LABOR AND  
MANAGEMENT COMMITTEE

2 SENATE BILL NO. 335

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

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

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

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

(3) supervise the sale of tickets and the drawings;

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

Sec. 43.17.060. DEPOSIT OF PROCEEDS. One-half of the gross proceeds from each drawing shall be placed in the general fund as unrestricted receipts. The remaining one-half shall be placed in the general fund as restricted program receipts to be paid out as prizes to winners of the drawing.

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

1 to prevent duplication, counterfeiting, or other misuse of  
2 the tickets. Tickets may not be sold outside the state.

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

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

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

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

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

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

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

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

27 (d) The authority may cancel the appointment of a  
28 ticket seller, after a hearing held in accordance with the  
29 Administrative Procedure Act (AS 44.62), for a violation of

1 this chapter or a rule or regulation promulgated under it,  
2 or if the seller loses or is shown not to have had any one  
3 of the requisite qualifications.

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

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

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

26 Sec. 43.17.110. PROCEEDS OF THE DRAWING. One-half of  
27 the gross proceeds from each drawing shall be paid out as  
28 prizes in individual amounts determined by the authority.  
29 Each prize shall be at least \$500 but no prize shall exceed

1           \$25,000.

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

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

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

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

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

26 \* Sec. 3. Within 30 days after the effective date of this Act  
27 the governor shall appoint the Alaska Lottery Authority. At the  
28 time of these appointments, the governor shall designate which  
29 members have been appointed for the terms of service provided by

1 AS 43.17.010. Within 14 days after the last of the original  
2 appointments have been made, the authority shall meet and organize.

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

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

8 YES  NO

9 \* Sec. 5. Sections 1 - 3 of this Act do not take effect unless  
10 a majority of the voters in the general election of 1966 vote  
11 "yes" on the proposition specified in sec. 5 of this Act. If a  
12 majority of the voters do vote "yes", secs. 1 - 3 of this Act  
13 take effect January 1, 1967.  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29