

Introduced: 3/7/78  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY NAKAK

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 751

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an Iditarod Trail Race Lottery;  
7 and providing for an effective date."

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

9 \* Section 1. AS 05.15 is amended by adding new sections to read:

10 ARTICLE 4. IDITAROD TRAIL RACE LOTTERY.

11 Sec. 05.15.220. IDITAROD TRAIL RACE LOTTERY AUTHORIZED. The  
12 Iditarod Trail Race Lottery Commission is authorized to conduct an  
13 annual lottery the net proceeds of which are to be used exclusively for  
14 payment of expenses of the commission and for purposes which the commis-  
15 sion determines will further the success of the Iditarod Trail Race.  
16 Net proceeds of a given year may be retained for use in subsequent  
17 years, but if the unexpended and unobligated total assets from lottery  
18 proceeds exceed \$250,000, the amount over \$250,000 shall be paid into  
19 the general treasury of the state. The provisions of secs. 10 - 210 of  
20 this chapter do not apply to this lottery except a fee of one per cent  
21 of the net proceeds shall be paid annually to the Department of Revenue  
22 on or before June 30 of each year.

23 Sec. 05.15.230. IDITAROD TRAIL RACE LOTTERY COMMISSION ESTAB-  
24 LISHED. There is established within the Department of Revenue the  
25 Iditarod Trail Race Commission. The commission consists of five members  
26 appointed by the governor from a list of at least 10 names submitted to  
27 him by the Iditarod Trail Race Committee. Two of the members shall be  
28 residents of the City of Nome. Three members shall be from the state at  
29 large appointed with due regard for geographical representation. The

1 commission shall annually elect a chairman from among its members.  
2 Three members constitute a quorum for the transaction of business and  
3 the exercise of the powers of the commission.

4 Sec. 05.15.240. TERM OF OFFICE. Members of the commission serve  
5 at the pleasure of the governor for terms of five years and may be re-  
6 appointed. Terms shall be staggered. Initial terms shall be one member  
7 serving for one year, one member for two years, one member for three  
8 years, one member for four years, and one member for five years as  
9 designated by the governor.

10 Sec. 05.15.250. COMPENSATION AND EXPENSES. Members of the commis-  
11 sion serve without compensation but are entitled to per diem and travel  
12 expenses authorized by law for other boards and commissions.

13 Sec. 05.15.255. POWERS AND DUTIES. The commission shall operate  
14 and administer the lottery. It shall establish regulations governing  
15 the operation including but not limited to

- 16 (1) the type of lottery to be conducted;
- 17 (2) the price of tickets in the lottery;
- 18 (3) the numbers and sizes of the prizes on the winning  
19 tickets;
- 20 (4) the manner of selecting the winning tickets;
- 21 (5) the manner of payment of prizes to the holders of winning  
22 tickets;
- 23 (6) the frequency of the drawings or selections of winning  
24 tickets;
- 25 (7) without limit as to number, the types of locations at  
26 which tickets may be sold;
- 27 (8) the method to be used in selling tickets;
- 28 (9) the use of vending machines or mechanical devices of any  
29 kind;

1 (10) the compensation to licensed sellers of lottery tickets,  
2 but only where the commission finds that compensation is necessary to  
3 assure adequate availability of lottery tickets, and that the public  
4 convenience will be served.

5 Sec. 05.15.260. LOTTERY SALES AGENT. The commission may license  
6 persons as agents to sell lottery tickets, but no license may be issued  
7 to any person to engage in business exclusively as a lottery sales  
8 agent. No license may be issued to a person unless the commission has  
9 provided by regulation that licenses may be issued to persons engaged in  
10 the type or class of business or activity in which the person is en-  
11 gaged. In addition, before issuing a license to any person engaged in  
12 that type or class of business or activity, the commission shall con-  
13 sider

- 14 (1) financial responsibility and security of the business or  
15 activity;
- 16 (2) accessibility of the place of business or activity to the  
17 public;
- 18 (3) sufficiency of existing licenses to serve public conven-  
19 ience;
- 20 (4) whether the place of business or activity is predomi-  
21 nantly frequented by minors;
- 22 (5) volume of expected sales.

23 Sec. 05.15.270. SUSPENSION AND REVOCATION OF LICENSES. The com-  
24 mission may suspend or revoke, after notice and hearing, any license  
25 issued under sec. 260 of this chapter. A license may be temporarily  
26 suspended by the commission without prior notice, pending any prosecu-  
27 tion, investigation or hearing. A license may be suspended or revoked  
28 by the commission for one or more of the following reasons:

- 29 (1) failure to

1 (A) account for lottery tickets received or for the  
2 proceeds of the sale of lottery tickets,  
3 (B) file a bond if required by the commission, or  
4 (C) comply with instructions of the commission concerning  
5 the licensed activity;

6 (2) conviction of any offense as defined by law;

7 (3) failure to

8 (A) file any return or report,

9 (B) keep records, or

10 (C) pay any tax required by this chapter;

11 (4) fraud, deceit, misrepresentation or conduct prejudicial  
12 to public confidence in the state lottery;

13 (5) number of lottery tickets sold by the lottery sales agent  
14 is insufficient to meet administrative costs and public convenience is  
15 adequately served by other licensees;

16 (6) a material change, since issuance of the license, with  
17 respect to any matters required to be considered by the commission under  
18 sec. 260 of this chapter.

19 Sec. 05.15.280. ANNUAL AUDIT. The commission shall have its  
20 financial records audited annually by an independent outside auditor.  
21 The legislative auditor may prescribe the form and content of the finan-  
22 cial records of the commission and shall have access to these records at  
23 any time.

24 Sec. 05.15.290. ANNUAL REPORT. Before September 30 of each year  
25 the commission shall submit to the governor and the legislature a com-  
26 prehensive report describing operations, income, and expenditures for  
27 the preceding 12-month period.

28 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
29 070(c).