

Original sponsor: Nakak

Offered: 4/20/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR 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 Sweepstakes;
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 SWEEPSTAKES.

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

24 Sec. 05.15.230. IDITAROD TRAIL RACE SWEEPSTAKES COMMISSION ESTAB-
25 LISHED. There is established within the Department of Revenue the
26 Iditarod Trail Race Sweepstakes Commission. The commission consists of
27 five members appointed by the governor from a list of at least 10 names
28 submitted to him by the Iditarod Trail Race Committee. One of the
29 members shall be a resident of the City of Nome, one a resident of the

1 City of McGrath, one a resident of the City of Anchorage, one a resident
2 of the Matanuska-Susitna borough, and one member from the state at
3 large. The commission shall annually elect a chairman from among its
4 members. Three members constitute a quorum for the transaction of
5 business and the exercise of the powers of the commission.

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

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

15 Sec. 05.15.255. POWERS AND DUTIES. The commission shall operate
16 and administer the sweepstakes. It shall establish regulations govern-
17 ing the operation including but not limited to

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

1 (9) the use of vending machines or mechanical devices of any
2 kind;

3 (10) the compensation to licensed sellers of sweepstakes
4 tickets, but only where the commission finds that compensation is neces-
5 sary to assure adequate availability of sweepstakes tickets, and that
6 the public convenience will be served.

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

16 (1) financial responsibility and security of the business or
17 activity;

18 (2) accessibility of the place of business or activity to the
19 public;

20 (3) sufficiency of existing licenses to serve public conven-
21 ience;

22 (4) whether the place of business or activity is predomi-
23 nantly frequented by minors;

24 (5) volume of expected sales.

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

1 by the commission for one or more of the following reasons:

2 (1) failure to

3 (A) account for sweepstakes tickets received or for the
4 proceeds of the sale of sweepstakes tickets,

5 (B) file a bond if required by the commission, or

6 (C) comply with instructions of the commission concern-
7 ing the licensed activity;

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

9 (3) failure to

10 (A) file any return or report,

11 (B) keep records, or

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

13 (4) fraud, deceit, misrepresentation or conduct prejudicial
14 to public confidence in the state sweepstakes;

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

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

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

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

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

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