

Introduced: 5/27/77
Referred: Finance

BY MILLER, DUNCAN AND ELIASON
BY REQUEST

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 81

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Annuling certain administrative regula-
6 tions adopted by the Department of Revenue
7 pertaining to games of chance and skill.

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

9 WHEREAS under AS 44.62.320 the legislature by concurrent resolution
10 adopted by a vote of both houses may annul a regulation of an agency or
11 department; and

12 WHEREAS the Department of Revenue has amended certain regulations
13 relating to the use and computation of the net proceeds of raffles and con-
14 tests; and

15 WHEREAS AS 05.15.150(a), as amended by ch. 66 SLA 1976, provides that
16 the net proceeds of raffles or contests may be dedicated to "the promotion of
17 the welfare and well-being of the membership of the organization within their
18 own community"; and

19 WHEREAS the commissioner of revenue has amended 15 AAC 05.570(b) so as
20 to restrict the meaning of "promotion of the welfare and well-being of the
21 membership", in relation to the permissible uses of net proceeds, to just
22 "charitable" uses for which any member of the organization may qualify,
23 specifically excluding from permissible uses organizational parties, dinners
24 or benefits, picnics, or social functions limited to members and their
25 families; and

26 WHEREAS, by permitting net proceeds from raffles and contests to be used
27 for "the promotion of the welfare and well-being of the membership of the
28 organization within their own community", the legislature did not intend to
29 limit the use of net proceeds to only those uses which may be described

1 as charitable; and

2 WHEREAS the commissioner of revenue is authorized, under AS 05.15.060,
3 to adopt regulations establishing a method for ascertaining net proceeds
4 which "prevents the proceeds from the activity permitted from being diverted
5 to noncharitable, noneducational, nonreligious, or profit-making organiza-
6 tions, individuals or groups"; and

7 WHEREAS the commissioner of revenue has amended 15 AAC 05.510 to specify
8 to 14 expenses which cannot be deducted in the computation of net proceeds;
9 and

10 WHEREAS the deduction of the 14 expenses not authorized to be deducted
11 under 15 AAC 05.510(d) would not involve a diversion to such organizations,
12 individuals, or groups, or otherwise be contrary to the best interests of the
13 public or the administration of AS 05.15; thereby this regulation frustrates
14 the legislature's intent with regard to the uses to which the proceeds of
15 games and raffles may be dedicated;

16 BE IT RESOLVED by the Alaska State Legislature that administrative
17 regulations 15 AAC 05.570(b) and 15 AAC 05.510(d) are annulled.