

Introduced: 2/14/86
Referred: Community & Regional
Affairs, Judiciary and Finance

1 IN THE HOUSE

BY MARROU BY REQUEST

2

HOUSE BILL NO. 595

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to gambling in municipalities."

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

8 * Section 1. AS 05.15.040 is amended to read:

9 Sec. 05.15.040. ISSUANCE AND EFFECT AND TERM OF PERMIT. After
10 the fee is paid, a permit issued, and during the effective period of
11 the permit, the [MUNICIPALITY OR] qualified organization may conduct
12 the activity specified in the permit. [A MUNICIPALITY THAT HAS BEEN
13 ISSUED A PERMIT UNDER THIS CHAPTER MAY NOT CONDUCT ANY ACTIVITY AU-
14 THORIZED BY THE PERMIT OUTSIDE OF THE GEOGRAPHIC BOUNDARIES OF THE
15 MUNICIPALITY.] If a permit is revoked, the permittee is not eligible
16 for another permit until the expiration of one year from the date of
17 revocation. A permit expires at the end of the period for which it is
18 issued. A permit is not transferable.

19 * Sec. 2. AS 05.15.100 is amended to read:

20 Sec. 05.15.100. COMMISSIONER OF REVENUE MAY ISSUE PERMITS. (a)
21 The commissioner of revenue may issue a permit to a [MUNICIPALITY OR]
22 qualified organization. The permit gives the [MUNICIPALITY OR]
23 organization the privilege of conducting bingo, raffles and lotteries,
24 ice classics, rain classics, dog mushers' contests, fish derbies and
25 contests of skill.

26 (b) The commissioner of revenue also may issue a permit giving a
27 [MUNICIPALITY OR] qualified organization the privilege of conducting
28 an activity involving the use of playing cards, dice, and numbers
29 wheels. Each year, a [MUNICIPALITY OR] qualified organization may

1 apply for a permit under this subsection for either a single event
2 lasting [NO MORE THAN] three consecutive days or less, or for no more
3 than three events lasting no more than one day each.

4 * Sec. 3. AS 05.15.120 is amended to read:

5 Sec. 05.15.120. ELIGIBILITY FOR PERMIT. An applicant shall be a
6 [MUNICIPALITY OR] qualified organization to be eligible for a permit.

7 * Sec. 4. AS 05.15.140(a) is amended to read:

8 (a) The commissioner of revenue may not issue or renew a permit
9 except upon satisfactory proof that the applicant is a [MUNICIPALITY
10 OR] qualified organization, the activity may be permitted under this
11 chapter, and the issuance of a permit is not detrimental to the best
12 interests of the public. On [UPON] request of the commissioner of
13 revenue, the applicant shall prove conclusively each of these require-
14 ments before a permit may be issued or renewed.

15 * Sec. 5. AS 05.15.140(b) is amended to read:

16 (b) In an application for a permit, a [MUNICIPALITY OR] quali-
17 fied organization shall disclose the name and address of each person
18 responsible for the operation of the activity and whether a [ANY]
19 person named

20 (1) has ever been convicted of a felony or gambling misde-
21 meanor; or

22 (2) has a prohibited financial interest, as defined in
23 regulations adopted by the commissioner, in the operation of the
24 activity.

25 * Sec. 6. AS 05.15.150(b) is amended to read:

26 (b) The net proceeds derived from the activity must be devoted
27 within one year to one or more of the uses stated in (a) of this
28 section. A [MUNICIPALITY OR] qualified organization desiring to hold
29 the net proceeds for a period longer than one year must apply to the

1 commissioner of revenue for special permission and on [UPON] good
2 cause shown the commissioner may grant the request.

3 * Sec. 7. AS 05.15.160 is amended to read:

4 Sec. 05.15.160. AUTHORIZED EXPENSES. An [NO] item of expense
5 may not be incurred or paid in connection with the operation of an
6 activity under a permit issued under this chapter except for bona fide
7 expenses reasonably necessary for

8 (1) goods, wares, and merchandise necessary for the opera-
9 tion of the activity;

10 (2) personal services rendered that are not directly or
11 indirectly involved with the operation of the activity; or

12 (3) personal services involved with the operation of the
13 activity if [PROVIDED] the services are performed by an employee of
14 the [MUNICIPALITY,] qualified organization, or a consultant hired by
15 the [MUNICIPALITY OR] qualified organization conducting the activity
16 and the compensation is not related to the receipts from the activity.

17 * Sec. 8. AS 11.66.280(2) is amended to read:

18 (2) "gambling" means that a person stakes or risks some-
19 thing of value on [UPON] the outcome of a contest of chance or a
20 future contingent event not under the person's control or influence,
21 on [UPON] an agreement or understanding that the [THAT] person or
22 another person [SOMEONE ELSE] will receive something of value in the
23 event of a certain outcome; "gambling" does not include

24 (A) bona fide business transactions valid under the
25 law of contracts for the purchase or sale at a future date of
26 securities or commodities and agreements to compensate for loss
27 caused by the happening of chance, including contracts of in-
28 demnity or guaranty and life, health, or accident insurance; or

29 (B) playing an amusement device that

1 (i) confers only an immediate right of replay not
2 exchangeable for something of value other than the privilege
3 of immediate replay; and

4 (ii) does not contain a method or device by which
5 the privilege of immediate replay may be cancelled or re-
6 voked;

7 (C) an activity authorized by the commissioner of
8 revenue under AS 05.15;

9 (D) an activity performed or authorized by a municipi-
10 ality under AS 29.35.135;

11 * Sec. 9. AS 11.66.280(4) is amended to read:

12 (4) "gambling enterprise" means a gambling business which

13 (A) includes five or more persons who conduct,
14 finance, manage, supervise, direct, or own all or part of the
15 business;

16 (B) has been or remains in substantially continuous
17 operation for a period in excess of 30 days or has a gross income
18 of \$2,000 or more in any single day; and

19 (C) is not a qualified organization under AS 05.15.-
20 210(15), except that, for purposes of this paragraph, no applica-
21 tion for a license under AS 05.15.210(15) is required to be
22 considered a qualified organization;

23 (D) is not conducted or authorized by a municipality
24 under AS 29.35.135;

25 * Sec. 10. AS 29.35 is amended by adding a new section to read:

26 Sec. 29.35.135. GAMBLING IN MUNICIPALITIES. (a) A municipality
27 may conduct gambling activities within its geographic boundaries on
28 the conditions that it determines are appropriate.

29 (b) In addition to the activities permitted by the Department of

1 Revenue under AS 05.15, a municipality may authorize gambling
2 activities within the geographic boundaries of the municipality on
3 conditions that it determines are appropriate.

4 (c) In this section "gambling" means that a person stakes or
5 risks something of value on the outcome of a contest of chance or a
6 future contingent event not under the person's control or influence,
7 on an agreement or understanding that the person or another person
8 will receive something of value in the event of a certain outcome.

9 * Sec. 11. AS 05.15.210(14) is repealed.