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1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

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SENATE BILL NO. 279

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act establishing the Alaska Racing Commission and
7 authorizing off-track parimutuel wagering; and
8 providing for an effective date."

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

10 * Section 1. AS 05 is amended by adding a new chapter to read:

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CHAPTER 40. HORSE RACING.

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ARTICLE 1. ALASKA RACING COMMISSION.

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Sec. 05.40.010. ALASKA RACING COMMISSION. (a) The Alaska

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Racing Commission is established in the Department of Commerce and

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Economic Development. The commission is composed of five members

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appointed by the governor. One member shall have experience in the

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regulation, supervision, or conduct of parimutuel wagering or horse

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racing; one member shall have experience in law enforcement; one

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member shall have experience in bookkeeping or accounting; two members

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shall be public members.

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(b) Each member of the commission shall at the time of the

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member's appointment be a resident of the state.

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(c) A person may not serve as a member of the commission if that
24 person has been convicted of

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(1) a felony; or

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(2) an offense defined in AS 11.66.200 - 11.66.280 or a

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comparable provision of municipal, state, or federal law.

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(d) A person may not serve as a member of the commission until

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the investigation required under AS 18.65.080 is completed.

1 (d) The commission shall elect a chairman from its membership.

2 (f) Three members of the commission constitute a quorum for the
3 transaction of business.

4 Sec. 05.40.020. TERM OF OFFICE. Members of the commission serve
5 staggered terms of four years. A vacancy is filled by appointment for
6 the unexpired term. A member of the commission holds office until a
7 successor is appointed and qualifies.

8 Sec. 05.40.030. REMOVAL AND SUSPENSION OF MEMBERS. (a) The
9 governor may remove a member for cause, including incompetence, ne-
10 glect of duty, or misconduct in office. A member being removed for
11 cause shall be given a copy of the charges and afforded an opportunity
12 to publicly present a defense in person or by counsel upon not less
13 than 10 days' notice. If a member is removed for cause, the governor
14 shall file with the lieutenant governor a complete statement of all
15 charges made against the member and the governor's findings based on
16 the charges, together with a complete record of the proceedings.

17 (b) The governor may immediately suspend a member for a vio-
18 lation of law or for misconduct in office pending removal from office
19 under (a) of this section.

20 Sec. 05.40.040. COMPENSATION AND PER DIEM. Members of the
21 commission do not receive a salary for their service on the commission
22 but are entitled to per diem and travel expenses authorized by law for
23 state boards and commissions under AS 39.20.180.

24 Sec. 05.40.050. DUTIES AND POWERS OF THE COMMISSION. (a) The
25 commission shall, in consultation with the attorney general,

26 (1) adopt regulations concerning off-track events, includ-
27 ing regulations governing

28 (A) the issuance, renewal, suspension, and revocation
29 of licenses;

1 (B) the immediate suspension of a license during an
2 investigation of a violation of this chapter or a regulation
3 adopted under this chapter;

4 (C) parimutuel equipment to be used by off-track
5 licensees;

6 (D) auditing procedures; and

7 (E) other matters directly related to off-track pari-
8 mutuel wagering;

9 (2) regulate and supervise all off-track events;

10 (3) inspect and approve the location of off-track events;

11 (4) set all license fees;

12 (5) make an annual report to the commissioner of commerce
13 and economic development and the legislature of its administration of
14 this chapter before February 15 of each year;

15 (6) keep detailed records of all off-track events and of
16 all collections and disbursements from off-track events;

17 (7) supervise the making and distribution of parimutuel
18 pools for off-track events; and

19 (8) adopt regulations otherwise implementing AS 05.40.100 -
20 05.40.190.

21 (b) The commission may

22 (1) hire staff as needed to administer this chapter if the
23 investigation required under AS 18.65.080 finds that the person has
24 not been convicted of a crime set out in AS 05.40.010(c);

25 (2) issue subpoenas to compel witnesses to appear before
26 it;

27 (3) compel the production of documents showing the receipts
28 and disbursements of an off-track licensee;

29 (4) appoint a hearing officer to conduct a hearing required

1 by this chapter or by a regulation adopted under it.

2 Sec. 05.40.060. EMPLOYEES OF THE COMMISSION. Employees of the
3 commission are in the partially exempt service under AS 39.25.120.

4 Sec. 05.40.070. REGULATIONS OF THE COMMISSION. The attorney
5 general shall enforce the regulations of the commission.

6 Sec. 05.40.080. RECORDS OF THE COMMISSION. All records of the
7 commission are public records and subject to public inspection.

8 Sec. 05.40.090. PROCEEDS. Fees and other money received by the
9 commission shall be paid into the general fund.

10 ARTICLE 2. OFF-TRACK EVENTS.

11 Sec. 05.40.100. OFF-TRACK LICENSE. (a) A person may not con-
12 duct parimutuel wagering at an off-track event without an off-track
13 license issued by the commission. An off-track license is valid for
14 five years unless canceled by the commission under (c) of this sec-
15 tion.

16 (b) The commission may not issue an off-track license to a
17 person who has

18 (1) been convicted of a crime involving moral turpitude;

19 (2) violated a provision of this chapter or a regulation
20 adopted under this chapter;

21 (3) failed to pay the license fee set by the commission.

22 (c) The commission may cancel an off-track license if the li-
23 censee intentionally violates a provision of this chapter or a regu-
24 lation adopted under this chapter.

25 (d) The commission may not approve more than one off-track
26 license per 200,000 in state population. The commission may approve
27 multiple locations for the operations of an off-track licensee. If
28 multiple locations are approved for a licensee, the licensee shall
29 combine the wagers placed at all locations in order to determine odds

1 and compute payoffs in one parimutuel pool.

2 (e) The commission may establish an annual fee for each location
3 at which an off-track event is held. The fee must reflect the com-
4 mission's expected cost of approving, regulating, and monitoring the
5 location. The amount of the fee collected shall be offset by the
6 amount paid to the commission under AS 05.40.110(b). The commission
7 may not refund any money under this subsection.

8 Sec. 05.40.110. COMMISSION'S SHARE OF GROSS RECEIPTS. (a) The
9 holder of an off-track license shall pay to the commission on a daily
10 basis for each authorized day of an off-track event the following
11 applicable percentage of daily gross receipts based on the total gross
12 receipts received from all approved locations for that licensee:

- 13 (1) two percent of the first \$100,000 of gross receipts;
14 (2) three percent of gross receipts not described in (1) of
15 this subsection.

16 (b) In addition to amounts paid to the commission under (a) of
17 this section, the holder of an off-track license shall separately pay
18 to the commission on a daily basis for each authorized day of an
19 off-track event one percent of all gross receipts from exotic races.

20 (c) The commission shall deposit money received under this
21 section into the general fund. The commission shall make separate
22 deposits of money received under (b) of this section. The commis-
23 sioner of administration shall separately account for money deposited
24 by the commission that is designated by the commission as being re-
25 ceived under (b) of this section. The legislature may appropriate
26 one-half of the estimated balance of this separate account to benefit
27 the Alaska State Fair and one-half of the estimated balance to benefit
28 the municipalities in which off-track events are located.

29 Sec. 05.40.120. LICENSEE'S SHARE OF GROSS RECEIPTS. (a) The

1 holder of an off-track license may retain for each authorized day of
2 an off-track event the following applicable percentages of daily gross
3 receipts based on the total gross receipts received from all approved
4 locations for that licensee:

5 (1) 17 percent of the first \$100,000 of gross receipts;

6 (2) 16 percent of gross receipts not described in (1) of
7 this subsection.

8 (b) In addition to the amounts retained by the licensee under
9 (a) of this section, the licensee may retain four percent of the daily
10 gross receipts from exotic races.

11 Sec. 05.40.190. PROHIBITED ACTS AND PENALTIES. (a) A person
12 may not intentionally

13 (1) circulate handbooks related to off-track wagering;

14 (2) wager on an off-track event other than by the pari-
15 mutuel method conducted by a person with an off-track license; or

16 (3) violate AS 05.40.100 - 05.40.190 or a regulation adopt-
17 ed under AS 05.40.100 - 05.40.190.

18 (b) An off-track licensee may not intentionally

19 (1) retain more than the percentage of gross receipts
20 provided for in AS 05.40.120; or

21 (2) compute breakage at points that are not multiples of
22 \$.10.

23 (c) A violation of (a) or (b) of this section is a class A
24 misdemeanor. In addition to penalties otherwise provided by law, the
25 court may issue an order barring a person who violates (a) or (b) of
26 this section from being at an off-track event conducted by a licensee
27 under AS 05.40.100 - 05.40.190.

28 (d) Parimutuel wagering at an off-track event that is not au-
29 thorized under AS 05.40.100 - 05.40.190 is a public nuisance.

1 (1) a person appointed by the governor to serve as a member
2 of the Alaska Racing Commission;

3 (2) an applicant for employment with the Alaska Racing
4 Commission.

5 * Sec. 3. AS 39.25.120(c) is amended by adding a new paragraph to read:
6 (2) employees of the Alaska Racing Commission.

7 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:
8 (50) Alaska Racing Commission (AS 05.40.010).

9 * Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:
10 (55) Alaska Racing Commission (AS 05.40.010).

11 * Sec. 6. INITIAL COMMISSION APPOINTMENTS. The governor shall make the
12 initial appointment of members of the Alaska Racing Commission within 120
13 days after the effective date of this Act.

14 * Sec. 7. This Act takes effect July 1, 1990.