SENATE BILL NO. 4

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS ZHAROFF, Jones

Introduced: 1/21/91
Referred: L&C, Judiciary and Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Gaming Commission; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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

4 ARTICLE 4. ALASKA GAMING COMMISSION.

5 Sec. 05.15.300. ALASKA GAMING COMMISSION. (a) The Alaska Gaming
6 Commission is established in the Department of Commerce and Economic Development. The
7 commission is composed of five members appointed by the governor, subject to confirmation by
8 the legislature.

9 (b) Each member of the commission shall at the time of the member's appointment be
10 a resident of the state.

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

13 (1) a felony; or

14 (2) an offense under this chapter, AS 11.66.200 - 11.66.280, or a comparable

1 provision of municipal, state, or federal law.

2 (d) A person may not serve as a member of the commission until the investigation
3 required under AS 18.65.080(b) is completed.

4 (e) The commission shall elect a chair from its membership.

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

6 Sec. 05.15.310. TERM OF OFFICE. Members of the commission serve staggered terms
7 of four years. A vacancy is filled by appointment for the unexpired term. A member of the
8 commission holds office until a successor is appointed and qualifies.

9 Sec. 05.15.320. REMOVAL AND SUSPENSION OF MEMBERS. (a) The governor
10 may remove a member for cause, including incompetence, neglect of duty, or misconduct in
11 office. A member being removed for cause shall be given a copy of the charges and afforded
12 an opportunity to publicly present a defense in person or by counsel upon not less than 10 days'
13 notice. If a member is removed for cause, the governor shall file with the lieutenant governor
14 a complete statement of all charges made against the member and the governor's findings based
15 on the charges, together with a complete record of the proceedings.

16 (b) The governor may immediately suspend a member for a violation of law or for
17 misconduct in office pending removal from office under (a) of this section.

18 Sec. 05.15.330. COMPENSATION AND PER DIEM. Members of the commission do
19 not receive a salary for their service on the commission but are entitled to per diem and travel
20 expenses authorized for state boards and commissions under AS 39.20.180.

21 Sec. 05.15.340. DUTIES AND POWERS OF THE COMMISSION. (a) The commission
22 shall

23 (1) license, regulate, and supervise games of chance and contests of skill under
24 this chapter;

25 (2) hire staff as needed to enforce and administer this chapter; and

26 (3) adopt regulations necessary to carry out the provisions of this chapter.

27 (b) The commission may

28 (1) issue subpoenas to compel witnesses to appear before it;

29 (2) compel the production of documents showing the receipts and disbursements
30 of a person licensed to conduct a gaming enterprise;

31 (3) appoint a hearing officer to conduct a hearing required by this chapter or by

1 a regulation adopted under it.

2 Sec. 05.15.350. EMPLOYEES OF THE COMMISSION. Employees of the commission
3 are in the partially exempt service under AS 39.25.120.

4 Sec. 05.15.360. REGULATIONS OF THE COMMISSION. The attorney general shall
5 enforce the regulations of the commission.

6 Sec. 05.15.370. RECORDS OF THE COMMISSION. All records of the commission are
7 public records and subject to public inspection.

8 Sec. 05.15.380. PROCEEDS. Fees and other money received by the commission shall
9 be paid into the general fund.

10 Sec. 05.15.390. ADMINISTRATIVE PROCEDURE ACT. The operations of the
11 commission are subject to the Administrative Procedure Act (AS 44.62).

12 Sec. 05.15.400. CONFLICT OF INTEREST ACT. The commission is subject to
13 AS 39.50 (conflict of interest).

14 * **Sec. 2.** AS 05.15.010 is repealed and reenacted to read:

15 Sec. 05.15.010. ALASKA GAMING COMMISSION TO ADMINISTER CHAPTER.
16 The Alaska Gaming Commission shall administer this chapter.

17 * **Sec. 3.** AS 05.15.210(6) is repealed and reenacted to read:

18 (6) "commission" means the Alaska Gaming Commission;

19 * **Sec. 4.** AS 11.66.280(2) is repealed and reenacted to read:

20 (2) "gambling" means that a person stakes or risks something of value upon the outcome
21 of a contest of chance or a future contingent event not under the person's control or influence,
22 upon an agreement or understanding that that person or someone else will receive something of
23 value in the event of a certain outcome; "gambling" does not include

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

28 (B) playing an amusement device that

29 (i) confers only an immediate right of replay not
30 exchangeable for something of value other than the privilege of immediate replay;
31 and

(ii) does not contain a method or device by which the privilege of immediate replay may be canceled or revoked;

(C) an activity authorized under AS 05.15;

*** Sec. 5.** AS 18.65.080 is amended by adding a new subsection to read:

(b) The Department of Public Safety shall investigate and ascertain whether a person appointed by the governor to serve as a member of the Alaska Gaming Commission has been convicted of a crime set out in AS 05.15.300(c).

*** Sec. 6.** AS 39.25.120(c) is amended by adding a new paragraph to read:

(21) employees of the Alaska Gaming Commission.

*** Sec. 7.** AS 39.50.200(b) is amended by adding a new paragraph to read:

(52) Alaska Gaming Commission (AS 05.15.300).

*** Sec. 8.** AS 44.62.330(a) is amended by adding a new paragraph to read:

(57) Alaska Gaming Commission (AS 05.15.300).

*** Sec. 9.** AS 05.15.210(8) and AS 44.33.020(31) are repealed.

*** Sec. 10.** INITIAL COMMISSION APPOINTMENTS. The governor shall make the initial appointment of members of the Alaska Gaming Commission within 120 days after the effective date of this Act. The governor shall set the terms of initial members so that two members serve terms of four years, one member serves a term of three years, one member serves a term of two years, and one member serves a term of one year.

*** Sec. 11.** TRANSITION. (a) Regulations relating to games of chance and contests of skill, adopted by the Department of Revenue or the Department of Commerce and Economic Development under authority of AS 05.15 before July 1, 1991, and in effect on the effective date of this Act remain in effect until regulations relating to that function that are adopted by the Alaska Gaming Commission under AS 05.15 as amended by this Act, take effect. The Alaska Gaming Commission shall administer the Department of Revenue and the Department of Commerce and Economic Development regulations until its own take effect.

(b) Until the Alaska Gaming Commission is appointed, the Department of Commerce and Economic Development shall administer games of chance and contests of skill under AS 05.15 and under the regulations referred to in (a) of this section.

*** Sec. 12.** IMPLEMENTATION OF LEGISLATION. To be consistent with the changes made by this legislation, wherever in AS 05.15 and in regulations adopted under those statutes "Department of

1 Commerce and Economic Development," "department," or "commissioner" is used, they shall be read
2 as referring to the Alaska Gaming Commission or commission when to do so would implement the
3 purposes of this Act. Under AS 01.05.031, the revisor of statutes shall implement this section in the
4 statutes, and, under AS 44.62.125(b)(6), the regulations attorney shall implement this section in the
5 administrative regulations.
6 * **Sec. 13.** This Act takes effect July 1, 1991.