

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 6 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/17/91

Referred: Judiciary, Finance

Sponsor(s): SENATOR ZHAROFF

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to charitable gaming; providing for multiple-beneficiary charitable gaming
2 permits; prohibiting persons convicted of felonies, crimes of theft or dishonesty, and
3 gambling violations from participating in charitable gaming activities as permittees, licensees,
4 or vendors, or as employees or independent contractors of permittees, licensees, or vendors;
5 and providing for an effective date."

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

7 * Section 1. AS 05.15.020(a) is amended to read:

8 (a) A municipality or qualified organization may conduct an activity permitted under this
9 chapter [,] if the municipality or qualified organization pays the appropriate permit fee and
10 receives an annual permit issued by the department. The annual permit fee is

11 (1) \$20 for an applicant that did not hold a permit during the preceding year;

12 (2) \$20 for an applicant that had gross receipts of less than \$20,000 from
13 activities conducted under this chapter during the preceding year;

1 (3) \$50 for an applicant that had gross receipts of \$20,000 or more but not
2 exceeding \$100,000 from activities conducted under this chapter during the preceding year; or

3 (4) \$100 for an applicant that had gross receipts exceeding \$100,000 from
4 activities conducted under this chapter during the preceding year or that is one of the applicants
5 for a multiple-beneficiary permit under AS 05.15.100(d).

6 * Sec. 2. AS 05.15.030(a) is amended to read:

7 (a) At the time of filing an application for a permit or license under this chapter the
8 applicant shall notify the city or borough nearest to the location of the proposed activity of the
9 application. A local government unit may protest the conduct of the activity in its jurisdiction
10 by resolution stating the reasons for the protest filed with the department; protests are limited to
11 the lack of qualifications prescribed by this chapter. This resolution is only a recommendation
12 by the local government that may be considered by the commissioner in determining whether to
13 issue or refuse to issue a permit or license. The commissioner may not consider a resolution
14 under this subsection if it is not adopted within 15 days of the date that the city or borough
15 receives notice of the application.

16 * Sec. 3. AS 05.15.060 is amended to read:

17 Sec. 05.15.060. REGULATIONS. The department shall adopt regulations under the
18 Administrative Procedure Act (AS 44.62) necessary to carry out this chapter covering, but not
19 limited to,

20 (1) the issuance, renewal, and revocation of permits, [AND] licenses, and vendor
21 registrations;

22 (2) a method of ascertaining net proceeds, the determination of items of expense
23 that may be incurred or paid, and the limitation of the amount of the items of expense to prevent
24 the proceeds from the activity permitted from being diverted to noncharitable, noneducational,
25 nonreligious, or profit-making organizations, individuals, or groups;

26 (3) the immediate revocation of permits, [AND] licenses, and vendor
27 registrations authorized under this chapter if this chapter or regulations adopted under it are
28 violated;

29 (4) the requiring of detailed, sworn, financial reports of operations from permittees
30 and licensees including detailed statements of receipts and payments;

31 (5) the investigation of permittees, licensees, registered vendors, and their

1 employees, including the fingerprinting of those permittees, licensees, registered vendors, and
2 employees whom the commissioner considers it advisable to fingerprint;

3 (6) the licensing and regulation of pull-tab ticket dispensing machines
4 authorized by AS 05.15.187(k) [EXCLUSION FROM PARTICIPATION AS A PERMITTEE,
5 LICENSEE, OR EMPLOYEE OF A PERMITTEE OR LICENSEE, OF A PERSON
6 CONVICTED OF, IN PRISON FOR, OR ON PAROLE FOR A FELONY WITHIN THE
7 PRECEDING FIVE YEARS, OR CONVICTED OF A CRIME INVOLVING THEFT OR
8 DISHONESTY OR OF A VIOLATION OF A MUNICIPAL, STATE, OR FEDERAL
9 GAMBLING LAW];

10 (7) the method and manner of conducting authorized activities and awarding of
11 prizes or awards, and the equipment that may be used;

12 (8) the number of activities that may be held, operated, or conducted under a
13 permit during a specified period; however, the department may not allow more than 14 bingo
14 sessions a month and 35 bingo games a session to be conducted under a permit; the holders of
15 a multiple-beneficiary permit under AS 05.15.100(d) may hold, operate, or conduct the
16 number of sessions and games a month equal to the number allowed an individual permittee
17 per month multiplied by the number of holders of the multiple-beneficiary permit;

18 (9) a method of accounting for receipts and disbursements by operators, including
19 the keeping of records and requirements for the deposit of all receipts in a bank;

20 (10) the disposition of funds in possession of a permittee, [OR] a person,
21 municipality, or qualified organization that possesses an operator's license, or a registered
22 vendor at the time a permit, [OR] a license, or a vendor registration is surrendered, revoked,
23 or invalidated;

24 (11) restrictions on the participation by employees of the Department of Fish and
25 Game in salmon classics;

26 (12) other matters the commissioner considers necessary to carry out this chapter
27 or protect the best interest of the public.

28 * Sec. 4. AS 05.15.070 is amended to read:

29 Sec. 05.15.070. EXAMINATION OF BOOKS AND RECORDS. The commissioner may
30 examine or have examined the books and records of a permittee, an operator, a registered
31 vendor, or a person licensed to manufacture or to distribute pull-tab games in the state. The

1 commissioner may issue subpoenas for the attendance of witnesses and the production of books,
2 records, and other documents.

3 * Sec. 5. AS 05.15.100 is amended by adding a new subsection to read:

4 (d) The commissioner may issue a multiple-beneficiary permit to two to six
5 municipalities or qualified organizations or to a combination of two to six municipalities and
6 qualified organizations that apply jointly for the permit. The permit gives the permit holders the
7 privilege of jointly conducting the activities specified in (a) and (b) of this section, subject to the
8 restrictions set out in (b) of this section.

9 * Sec. 6. AS 05.15.112(a) is amended to read:

10 (a) Each municipality or qualified organization that receives a permit under this chapter
11 shall designate a member in charge. **Municipalities and qualified organizations that hold a**
12 **multiple-beneficiary permit shall jointly designate one member in charge.**

13 * Sec. 7. AS 05.15.112(b) is amended to read:

14 (b) The member in charge is responsible for preparation, maintenance, and transmittal
15 of all records and reports required of the permittee. The member in charge shall be a member
16 of the qualified organization or the board of directors of the qualified organization or an
17 employee of the municipality. **In the case of a multiple-beneficiary permit, the member in**
18 **charge shall be a member of one of the qualified organizations or the board of directors of**
19 **one of the qualified organizations or an employee of one of the municipalities.**

20 * Sec. 8. AS 05.15.112(d) is amended to read:

21 (d) The municipality or qualified organization, **or the holders of a multiple-beneficiary**
22 **permit,** shall designate alternate members in charge who are responsible for the duties of the
23 member in charge in the absence of the member in charge.

24 * Sec. 9. AS 05.15.115 is amended by adding a new subsection to read:

25 (e) A contract between a permittee and an operator under this section for the conduct of
26 pull-tab games shall provide that the permittee must receive at least 40 percent of the ideal net
27 for each pull-tab series sold by the operator under the contract.

28 * Sec. 10. AS 05.15.122(b) is amended to read:

29 (b) The department may issue an operator's license to a natural person, municipality, or
30 qualified organization that

31 (1) applies on the form provided by the department;

- 1 (2) pays the annual fee of \$500;
- 2 (3) discloses the identity of persons employed by the applicant in any [A
- 3 MANAGERIAL OR SUPERVISORY] capacity;
- 4 (4) submits proof of liability insurance satisfactory to the department; and
- 5 (5) posts a bond or security satisfactory to the department in the amount of
- 6 \$25,000 for each permit under which the operator operates up to a maximum of \$100,000.

7 * Sec. 11. AS 05.15.122(c) is amended to read:

8 (c) The department may not issue an operator's license to an applicant if the applicant

9 or a person employed by the applicant in any capacity [A MANAGERIAL OR SUPERVISORY

10 CAPACITY,] has been convicted of [, IN PRISON FOR, OR ON PAROLE FOR] a felony,

11 [WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF] a crime involving theft or

12 dishonesty, or [OF] a violation of a municipal, state, or federal gambling law.

13 * Sec. 12. AS 05.15.122(d) is amended to read:

14 (d) A licensee may not employ a person in any [A MANAGERIAL OR

15 SUPERVISORY] capacity if the person has been convicted of a crime described in (c) of this

16 section [, IN PRISON FOR, OR ON PAROLE FOR A FELONY WITHIN THE PRECEDING

17 FIVE YEARS, OR CONVICTED OF A CRIME INVOLVING THEFT OR DISHONESTY OR

18 OF A VIOLATION OF A MUNICIPAL, STATE, OR FEDERAL GAMBLING LAW].

19 * Sec. 13. AS 05.15.124 is amended to read:

20 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS. A municipality may

21 by ordinance prohibit an operator or a vendor from conducting activities under this chapter

22 within the municipality.

23 * Sec. 14. AS 05.15.128(a) is amended to read:

24 (a) The department shall revoke the license of an operator who does not

25 (1) report an adjusted gross income of at least 15 percent of gross income for two

26 consecutive quarters for each type of activity conducted by [BASED ON THE TOTAL

27 OPERATION OF] the operator; or

28 (2) pay to each authorizing permittee for two consecutive quarters

29 (A) at least 15 percent of the adjusted gross income [, AS DETERMINED

30 UNDER (1) OF THIS SUBSECTION,] received from activities conducted on behalf of

31 the authorizing permittee other than pull-tab games; and

1 (B) at least 40 percent of the ideal net received from pull-tab games
2 conducted on behalf of the authorizing permittee.

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

4 (b) In an application for a permit, a municipality or qualified organization shall disclose
5 the name and address of each person responsible for the operation of the activity, including a
6 member, an employee, and an independent contractor, and whether any person named

7 (1) has been convicted of [, IN PRISON FOR, OR ON PAROLE FOR] a felony,
8 [WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF] a crime involving theft or
9 dishonesty, or [OF] a violation of a municipal, state, or federal gambling law; or

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

12 * Sec. 16. AS 05.15.140(c) is amended to read:

13 (c) The commissioner may not issue a permit for an activity operated by a person who
14 has been convicted of a crime described in (b)(1) of this section [, IN PRISON FOR, OR ON
15 PAROLE FOR A FELONY WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF
16 A CRIME INVOLVING THEFT OR DISHONESTY OR OF A VIOLATION OF A
17 MUNICIPAL, STATE, OR FEDERAL GAMBLING LAW].

18 * Sec. 17. AS 05.15.140 is amended by adding a new subsection to read:

19 (e) A permittee may not give any responsibility for an activity under this chapter to a
20 member, employee, or independent contractor who has been convicted of a crime described in
21 (b)(1) of this section.

22 * Sec. 18. AS 05.15 is amended by adding a new section to read:

23 Sec. 05.15.145. MULTIPLE-BENEFICIARY PERMITS. (a) Two to six municipalities
24 or qualified organizations, or a combination of two to six municipalities and qualified
25 organizations, may jointly apply for a multiple-beneficiary permit under AS 05.15.100(d). The
26 commissioner may not issue or renew a permit except upon satisfactory proof that each joint
27 applicant is a municipality or qualified organization, the activity may be permitted under this
28 chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon
29 request of the commissioner, the joint applicants shall prove conclusively each of these
30 requirements before a permit may be issued or renewed.

31 (b) The provisions of AS 05.15.140(b) - (d) apply to multiple-beneficiary permits and

1 applications for them.

2 (c) A municipality or qualified organization that is among the holders of a multiple-
3 beneficiary permit may not hold another permit under this chapter.

4 (d) A municipality or qualified organization that is among the holders of a multiple-
5 beneficiary permit may withdraw from the permit by giving written notice of intent to withdraw
6 to the department and to the other holders of the permit. The effective date of the withdrawal
7 is 30 days after the department receives written notice of intent. A municipality or qualified
8 organization that withdraws from a multiple-beneficiary permit may apply for a permit under
9 AS 05.15.100(a), but the total of its share of the prizes awarded under the multiple-beneficiary
10 permit and the prizes it awards under its own permit are subject to the maximums established in
11 AS 05.15.180(g).

12 (e) The holders of a multiple-beneficiary permit shall jointly file reports with the
13 department that comply with the reporting requirements imposed on operators under
14 AS 05.15.083.

15 * Sec. 19. AS 05.15.160(a) is amended to read:

16 (a) The only expenses that may be incurred or paid in connection with the operation of
17 an activity under a permit issued under this chapter are bona fide expenses reasonably necessary
18 for

19 (1) goods, wares, and merchandise necessary for the operation of the activity;
20 (2) personal services involved with the operation of the activity, including those
21 performed by

22 (A) an employee of the permittee; or

23 (B) an operator hired by the permittee to conduct the activity [IF THE
24 COMPENSATION IS NOT RELATED TO THE RECEIPTS FROM THE ACTIVITY].

25 * Sec. 20. AS 05.15.170 is repealed and reenacted to read:

26 Sec. 05.15.170. SUSPENSION OR REVOCATION OF PERMIT, LICENSE, OR
27 VENDOR REGISTRATION. (a) The department may suspend, for a period of up to one year,
28 or revoke a permit, license, or vendor registration, after giving notice to and an opportunity to
29 be heard by the permittee, licensee, or vendor, if the permittee, licensee, or vendor

30 (1) violates or fails to comply with a requirement of this chapter or of a regulation
31 adopted under this chapter;

1 (2) breaches a contractual agreement with a permittee, licensee, or registered
2 vendor;

3 (3) is convicted of a felony, of a crime involving theft or dishonesty, or of a
4 violation of a municipal, state, or federal gambling law; for the purposes of this paragraph, a
5 permittee, licensee, or vendor that is not a natural person is considered convicted if an owner or
6 manager of the permittee, licensee, or vendor is convicted; or

7 (4) knowingly submits false information to the department or, in the case of a
8 registered vendor, to a permittee or operator when the vendor knows that the false information
9 will be submitted to the department as part of an application for registration.

10 (b) If the department revokes a license or vendor registration under this section, it may
11 prohibit the licensee or vendor from reapplying for a license or vendor registration for a period
12 of not more than five years. If the department revokes a permit under this section, it may
13 prohibit the permittee from reapplying for a permit for a period of not more than one year.

14 * Sec. 21. AS 05.15.180(d) is amended to read:

15 (d) The total value of door prizes offered or awarded under authority of a permit issued
16 to a municipality or qualified organization under this chapter or under authority of a multiple-
17 beneficiary permit may not exceed \$20,000 a month or \$240,000 a year.

18 * Sec. 22. AS 05.15.180(e) is amended to read:

19 (e) The total value of all door prizes offered or awarded at a single facility or bingo hall
20 or parlor by an operator on behalf of authorizing permittees [OR BY A PERMITTEE IN
21 CONJUNCTION WITH OTHER PERMITTEES] may not exceed \$20,000 a month or \$240,000
22 a year.

23 * Sec. 23. AS 05.15.180(g) is amended to read:

24 (g) A municipality or a qualified organization may award a maximum of \$1,500,000
25 [~~\$1,000,000~~] in prizes each calendar year in activities authorized under this chapter; however,
26 if a municipality or a qualified organization contracts with an operator to conduct on its behalf
27 activities authorized under this chapter, the municipality or qualified organization may award a
28 maximum of \$500,000 in prizes each calendar year. The holders of a multiple-beneficiary
29 permit under AS 05.15.100(d) may award a maximum in prizes each calendar year of
30 \$1,500,000 times the number of holders of the permit for activities authorized under this
31 chapter. In this subsection "activities authorized under this chapter" means all activities subject

1 to this chapter other than bingo.

2 * Sec. 24. AS 05.15.180 is amended by adding new subsections to read:

3 (h) If a bingo game under this chapter is conducted by an operator, the operator, or an
4 owner, manager or employee of the operator, may not contest for the prizes awarded in that
5 bingo game. If a bingo game is conducted by a permittee, the permittee's member in charge, or
6 an alternate member in charge, may not contest for the prizes awarded in that bingo game.

7 (i) Each bingo card, or other single opportunity to participate in a bingo game, shall cost
8 \$1.

9 * Sec. 25. AS 05.15.183 is amended by adding new subsections to read:

10 (e) A distributor may not

11 (1) take an order for the purchase of a pull-tab series from a vendor;

12 (2) sell a pull-tab series to a vendor; or

13 (3) deliver a pull-tab series to a vendor, except as authorized by AS 05.15.185.

14 (f) The department may not issue a license under this section to an applicant if the
15 applicant or a person employed by the applicant has been convicted of a felony, a crime
16 involving theft or dishonesty, or a violation of a municipal, state, or federal gambling law. A
17 licensee under this section may not employ in any capacity, or enter into a contract for personal
18 services with, a person who has been convicted of a crime described in this subsection.

19 * Sec. 26. AS 05.15.184 is amended to read:

20 Sec. 05.15.184. PULL-TAB TAX. A pull-tab distributor shall collect on each series of
21 pull-tabs distributed a tax of one [THREE] percent of the total sales price of all the pull-tabs
22 in the series [AN AMOUNT EQUAL TO THE GROSS RECEIPTS LESS PRIZES AWARDED
23 ON EACH SERIES OF PULL-TABS DISTRIBUTED]. The pull-tab distributor shall pay to the
24 department the tax collected in the preceding month at the time that the report under
25 AS 05.15.183(d) is filed with the department.

26 * Sec. 27. AS 05.15.185 is amended to read:

27 Sec. 05.15.185. DISTRIBUTION OF PULL-TAB GAMES. Each series of pull-tabs
28 distributed in the state must be sealed and have a serial number label issued by the National
29 Association of Fundraising Ticket Manufacturers or other serial number label approved by the
30 department and may be distributed only to

31 (1) a municipality or a qualified organization that has obtained a permit issued

1 under this chapter;

2 (2) [OR TO] an operator on behalf of an authorizing permittee; or

3 (3) a vendor registered under this chapter when

4 (A) a permittee or operator has received payment from the vendor in
5 the amount and form set out in AS 05.15.188(i), and the permittee or operator has
6 authorized the distributor to distribute the series to the vendor; and

7 (B) the permittee or operator has paid to the distributor the pull-tab
8 tax under AS 05.15.184.

9 * Sec. 28. AS 05.15.187(f) is amended to read:

10 (f) Each permittee [MUNICIPALITY OR QUALIFIED ORGANIZATION] that had
11 gross receipts exceeding \$100,000 during the preceding year from activities conducted under this
12 chapter or that is required to report under AS 05.15.080(a), that conducts a pull-tab game shall
13 maintain records for two years of each prize of \$50 or more, the first day and last day that each
14 series was distributed, the serial number of each series, and the distributor from whom each series
15 was purchased. In this section "permittee" includes municipalities and qualified
16 organizations that jointly hold a multiple-beneficiary permit.

17 * Sec. 29. AS 05.15.187 is amended by adding new subsections to read:

18 (h) An owner, manager, or employee of a person holding a permit or license under this
19 chapter, or registered under this chapter as a vendor, may not purchase a pull-tab from a pull-tab
20 series manufactured, distributed, or sold by the permittee, licensee, or registered vendor.

21 (i) A permittee, operator, or registered vendor may not turn over a prize of \$50 or more
22 to a person with a pull-tab card entitling the person to that prize unless the person signs a receipt
23 for the prize and returns the receipt to the permittee, operator, or vendor. The pull-tab card
24 entitling the person to the prize may be signed as the receipt.

25 (j) A permittee, operator, or registered vendor may sell pull-tabs only at a fixed location,
26 and may not sell pull-tabs from a cart, vehicle, or similar location that is capable of mobility.
27 Pull-tab sales may be made only when the person purchasing the pull-tab is physically present
28 at the sale location.

29 (k) A permittee, operator, or registered vendor may sell pull-tabs through a pull-tab ticket
30 dispensing machine.

31 * Sec. 30. AS 05.15 is amended by adding a new section to article 2 to read:

1 Sec. 05.15.188. PULL-TAB SALES BY VENDORS ON BEHALF OF PERMITTEES
2 AND OPERATORS; VENDOR REGISTRATION. (a) A permittee or operator may contract
3 with a vendor to sell pull-tabs on behalf of the permittee or operator, if the permittee or operator
4 first registers the vendor with the department by applying for registration on a form prescribed
5 by the department and by submitting the registration fee of \$50 for each location at which the
6 vendor will sell pull-tabs.

7 (b) The department shall approve or disapprove an initial vendor registration request
8 within 30 working days of receipt of the registration form from a permittee or operator.

9 (c) Upon approval of the vendor registration, the department shall issue an endorsement
10 to the permittee's permit or the operator's license that authorizes the conduct of pull-tab sales at
11 that vendor location.

12 (d) The endorsement issued under (c) of this section is an extension of the permittee's
13 or operator's privilege under AS 05.15.100 to conduct pull-tab sales in this state. A vendor may
14 not sell a pull-tab series until a copy of the permit or license containing the endorsement for the
15 new vendor location has been posted by the permittee or operator in the registered vendor
16 establishment. The endorsed permit or license must be clearly visible to the gaming public.

17 (e) A separate endorsement shall be issued for each vendor location. The permittee or
18 operator shall inform the department when a vendor with whom the permittee or operator is
19 contracting changes the physical location at which pull-tabs are sold, and shall return to the
20 department all copies of a permit or license endorsed to a vendor that is no longer selling pull-
21 tabs on behalf of the permittee or operator. Failure to inform the department of a change in
22 vendor location, or to return the endorsed copies of a permit or license to the department after
23 a vendor change, may constitute grounds for the suspension or revocation of a permittee's permit
24 or an operator's license.

25 (f) At the time that a permittee or operator annually renews its permit or license, it shall
26 also renew the registration of all locations where a vendor is selling pull-tabs on the permittee's
27 or operator's behalf and shall pay a registration fee of \$50 for each vendor location.

28 (g) A permittee or operator that uses a vendor to sell pull-tabs on its behalf shall enter
29 into a written contract with that vendor. The department may inspect this contract. If the
30 contract contains provisions that violate this chapter or the regulations adopted under it, the
31 department may declare the contract void, and may suspend or revoke the registration of the

1 vendor and the license of the operator or the permit of the permittee.

2 (h) Except as provided in AS 05.15.185, a person, other than a permittee's member-in-
3 charge or an operator, may not directly supply a pull-tab series to a registered vendor for sale
4 by that vendor on behalf of the permittee or operator.

5 (i) If a permittee or operator contracts with a vendor under (a) of this section, the
6 contract must provide that the permittee or operator shall receive no less than 70 percent of the
7 ideal net.

8 (j) Except as provided in AS 05.15.185(3)(A), an amount equal to the ideal net less the
9 compensation owed to the vendor shall be paid by the vendor to the member in charge, operator,
10 or distributor upon delivery of a pull-tab series to the vendor for sale. The amount required to
11 be paid by the vendor shall be paid by check or, if paid by other means, shall be deposited
12 directly into the gaming checking account of the permittee or operator.

13 (k) All money paid to a registered vendor under this section by a permittee or operator
14 shall be paid by check only, and the check may not be drawn in a manner that the payee is not
15 identified.

16 (l) The department may not issue a vendor registration for a person who has been
17 convicted of a felony, a crime involving theft or dishonesty, or a violation of a municipal, state,
18 or federal gambling law, or who employs in any capacity involving gaming activity a person who
19 has been convicted of a crime described in this subsection.

20 (m) A registered vendor may not employ a person in any capacity involving gaming
21 activity if the person has been convicted of a crime described in (l) of this section.

22 * Sec. 31. AS 05.15 is amended by adding a new section to read:

23 Sec. 05.15.195. ORDER PROHIBITING ACTION IN VIOLATION OF CHAPTER. (a)
24 If the commissioner determines that a person has engaged in an act or practice in violation of this
25 chapter or a regulation adopted under this chapter, the commissioner may, after giving reasonable
26 notice to the person and an opportunity for the person to be heard, issue an order prohibiting the
27 violation by the person. The order remains in effect until the person has submitted evidence
28 acceptable to the commissioner showing that the violation has been corrected.

29 (b) If the public interest requires, the commissioner may issue an emergency order
30 prohibiting an act or practice in violation of this chapter or a regulation adopted under this
31 chapter without notice to or an opportunity to be heard by the person affected by the order. The

1 commissioner shall immediately serve the person with a copy of the emergency order. An
2 emergency order expires 60 days after the date it is issued, if the person affected by the order
3 requests a hearing within 15 days of receipt of the order. If the person does not request a hearing
4 within 15 days of receipt of the emergency order, the order becomes permanent. Following a
5 hearing, the commissioner may rescind, modify, or make permanent the emergency order.

6 (c) A party aggrieved by an order under this section may appeal to the superior court.

7 * Sec. 32. AS 05.15.200(b) is amended to read:

8 (b) A person who, with the intent to mislead a public servant in the performance of the
9 public servant's duty, submits a false statement in an application for a permit, license, or vendor
10 registration under this chapter [,] is guilty of unsworn falsification.

11 * Sec. 33. AS 05.15.210 is amended by adding new paragraphs to read:

12 (35) "ideal net" means an amount equal to the total amount of receipts that would
13 be received if every individual pull-tab ticket in a series were sold at face value, less the prizes
14 to be awarded for that series;

15 (36) "permittee" means a municipality or a qualified organization that holds a
16 valid permit under AS 05.15.100;

17 (37) "vendor" means a business whose primary activity is not regulated by this
18 chapter but that is engaged in the sale of pull-tabs on behalf of a permittee or operator, holds a
19 business license under AS 43.70, and is

20 (A) a retail establishment;

21 (B) an eating establishment; or

22 (C) an establishment licensed under AS 04.11.

23 * Sec. 34. This Act takes effect immediately under AS 01.10.070(c).