

SENATE BILL NO. 162

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Introduced: 3/1/91

Referred: L&C and Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing off-track parimutuel wagering as charitable gaming."

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

3 * Section 1. AS 05.15.100(a) is amended to read:

4 (a) The commissioner may issue a permit to a municipality or qualified organization.
5 The permit gives the municipality or qualified organization the privilege of conducting bingo,
6 raffles and lotteries, pull-tab games, ice classics, rain classics, goose classics, mercury classics,
7 salmon classics, dog mushers' contests, fish derbies, off-track parimutuel wagering events, and
8 contests of skill.

9 * Sec. 2. AS 05.15.115(c) is amended to read:

10 (c) A permittee may not contract with more than one operator at a time to conduct the
11 same type of activity. For the purposes of this subsection, bingo games, raffles, lotteries, pull-tab
12 games, ice classics, rain classics, goose classics, mercury classics, salmon classics, dog mushers'
13 contests, fish derbies, off-track parimutuel wagering events, contests of skill, and all activities
14 permitted under AS 05.15.100(b) are each a different type of activity.

1 * Sec. 3. AS 05.15.128(a) is amended to read:

2 (a) The department shall revoke the license of an operator who does not, with regard
3 to income derived from activities other than off-track parimutuel wagering events,

4 (1) report an adjusted gross income of at least 15 percent of gross income for two
5 consecutive quarters based on the total operation of the operator; or

6 (2) pay to each authorizing permittee for two consecutive quarters at least 15
7 percent of the adjusted gross income, as determined under (1) of this subsection, received from
8 activities conducted on behalf of the authorizing permittee.

9 * Sec. 4. AS 05.15.128 is amended by adding a new subsection to read:

10 (c) The department shall revoke the license of an operator who does not, with regard to
11 income derived from off-track parimutuel wagering, pay to each authorizing permittee and to the
12 department the amounts required by AS 05.15.189(a) and (c).

13 * Sec. 5. AS 05.15.160(a) is amended to read:

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

17 (1) goods, wares, [AND] merchandise, and, in the case of off-track parimutuel
18 wagering events, televising rights, necessary for the operation of the activity;

19 (2) personal services involved with the operation of the activity, including those
20 performed by

21 (A) an employee of the permittee; or

22 (B) an operator hired by the permittee to conduct the activity if the
23 compensation is not related to the receipts from the activity.

24 * Sec. 6. AS 05.15.180(a) is amended to read:

25 (a) Except as provided in AS 05.15.100(b), this chapter does not authorize the use of
26 playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or
27 instruments used, designed, or intended primarily for gaming or gambling or any other method
28 or implement not expressly authorized by the commissioner. Equipment for the processing of
29 parimutuel wagers may be used in off-track parimutuel wagering events.

30 * Sec. 7. AS 05.15.180(b) is amended to read:

31 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics,

1 goose classics, mercury classics, salmon classics, off-track parimutuel wagering events, and
2 other activities authorized under AS 05.15.100(b), an activity may not be licensed under this
3 chapter unless it existed in the state in substantially the same form and was conducted in
4 substantially the same manner before January 1, 1959.

5 * Sec. 8. AS 05.15.180(f) is amended to read:

6 (f) A person under the age of 19 years may not play a bingo game and a person under
7 the age of 21 years may not engage in off-track parimutuel wagering.

8 * Sec. 9. AS 05.15.180(g) is amended to read:

9 (g) A municipality or a qualified organization may award a maximum of \$1,000,000 in
10 prizes each year in activities authorized under this chapter; however, if a municipality or a
11 qualified organization contracts with an operator to conduct on its behalf activities authorized
12 under this chapter, the municipality or qualified organization may award a maximum of \$500,000
13 in prizes each year. In this subsection, "activities authorized under this chapter" means all
14 activities subject to this chapter other than bingo and off-track parimutuel wagering events.

15 * Sec. 10. AS 05.15 is amended by adding a new section to article 2 to read:

16 Sec. 05.15.189. OFF-TRACK PARIMUTUEL WAGERING. (a) A permittee that wishes
17 to conduct off-track parimutuel wagering under its permit shall enter into a contract with an
18 operator under AS 05.15.115. The contract must provide that

19 (1) the permittee shall receive at least two percent of the gross receipts received
20 by the operator under the permittee's permit, or at least 50 percent of the operator's net profit
21 for the period that the operator was conducting off-track parimutuel wagering under the
22 permittee's permit, whichever is greater;

23 (2) the operator shall pay the permittee no later than one week after the end of
24 the period during which the operator conducted off-track parimutuel wagering under the
25 permittee's permit; and

26 (3) the contract terminates after four weeks or after the operator receives
27 \$3,000,000 in gross receipts under the contract, whichever comes first.

28 (b) An operator conducting off-track parimutuel wagering on behalf of a permittee shall
29 submit to the department a plan describing how the operator proposes to select permittees with
30 whom the operator enters into contracts. The department may disapprove the plan if the
31 department finds that the plan does not involve a sufficient number of permittees. The

1 department shall issue regulations concerning the criteria for permittee selection and the approval
2 or disapproval of plans submitted under this subsection.

3 (c) An operator conducting off-track parimutuel wagering on behalf of a permittee shall
4 pay the department two percent of the gross receipts received by the operator. The operator shall
5 make the payments at the same time as the operator makes payment to the permittee under (a)
6 of this section.

7 (d) An operator conducting off-track parimutuel wagering shall pay to holders of winning
8 tickets at least

9 (1) 80 percent of the parimutuel pool of wagers on a single horse, less breakage;
10 and

11 (2) 75 percent of the parimutuel pool of wagers involving more than one horse,
12 less breakage.

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

14 (35) "breakage" means the odd cents by which the amount payable on each dollar
15 wagered in an off-track parimutuel wagering event exceeds a multiple of 10 cents;

16 (36) "off-track parimutuel wagering" means a form of wagering on the outcome
17 of horse races involving thoroughbred, standardbred, or quarter horses and sanctioned by a state
18 racing authority that are shown by closed-circuit television at a location different from the
19 location where the race takes place in which those who wager personally purchase tickets of
20 various denominations on a horse or combination of horses and all wagers for each race are
21 pooled and held by the race televisor for distribution; when the outcome of the race has been
22 decided, the race televisor distributes a percentage of the total wagers, according to regulations
23 adopted by the department, to the holders of tickets on the winning horses or combination of
24 horses.

25 * **Sec. 12.** AS 18.65.080 is amended by adding a new subsection to read:

26 (b) The Department of Public Safety shall investigate, including the processing of
27 fingerprints, and ascertain whether an applicant for a license issued under AS 05.15.122 who
28 proposes to conduct off-track parimutuel wagering, and the employees of an operator holding a
29 license under AS 05.15.122 and conducting off-track parimutuel wagering, have been charged
30 with

31 (1) a felony; or

1 (2) an offense defined in AS 11.66.200 - 11.66.280, or a comparable provision
2 of municipal, state, or federal law.