

CS FOR SENATE BILL NO. 162 (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: Finance

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing off-track parimutuel wagering as charitable gaming, and relating to
2 criminal history records checks for applicants for charitable gaming operator's licenses and
3 certain employees of those applicants."

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

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

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

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

12 (c) A permittee may not contract with more than one operator at a time to conduct the
13 same type of activity. For the purposes of this subsection, bingo games, raffles, lotteries, pull-tab
14 games, ice classics, rain classics, goose classics, mercury classics, salmon classics, dog mushers'

1 contests, fish derbies, off-track parimutuel wagering events, contests of skill, and all activities
2 permitted under AS 05.15.100(b) are each a different type of activity.

3 * Sec. 3. AS 05.15.122 is amended by adding a new subsection to read:

4 (c) The department shall request from the Department of Public Safety a criminal history
5 records check of an applicant for an operator's license and a person employed by an applicant
6 for an operator's license in a managerial or supervisory capacity.

7 * Sec. 4. AS 05.15.128(a) is amended to read:

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

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

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

15 * Sec. 5. AS 05.15.128 is amended by adding a new subsection to read:

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

19 * Sec. 6. AS 05.15.160(a) is amended to read:

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

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

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

27 (A) an employee of the permittee; or

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

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

31 (a) Except as provided in AS 05.15.100(b), this chapter does not authorize the use of

1 playing cards, dice, roulette wheels, coin- operated instruments or machines, or other objects or
2 instruments used, designed, or intended primarily for gaming or gambling or any other method
3 or implement not expressly authorized by the commissioner. Equipment for the processing of
4 parimutuel wagers may be used in off-track parimutuel wagering events.

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

6 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics,
7 goose classics, mercury classics, salmon classics, off-track parimutuel wagering events, and
8 other activities authorized under AS 05.15.100(b), an activity may not be licensed under this
9 chapter unless it existed in the state in substantially the same form and was conducted in
10 substantially the same manner before January 1, 1959.

11 * Sec. 9. AS 05.15.180(f) is amended to read:

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

14 * Sec. 10. AS 05.15.180(g) is amended to read:

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

21 * Sec. 11. AS 05.15 is amended by adding a new section to article 2 to read:

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

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

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

1 (3) the contract terminates after six weeks of operation under the contract or after
2 the operator receives \$3,000,000 in gross receipts under the contract, whichever comes first.

3 (b) An operator conducting off-track parimutuel wagering on behalf of a permittee shall
4 submit to the department a plan describing how the operator proposes to select permittees with
5 whom the operator enters into contracts. The department may disapprove the plan if the
6 department finds that the plan does not involve a sufficient number of permittees. The
7 department shall issue regulations concerning the criteria for permittee selection and the approval
8 or disapproval of plans submitted under this subsection.

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

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

15 (1) 80 percent of the parimutuel pool of wagers on a single horse, less breakage;
16 and

17 (2) 75 percent of the parimutuel pool of wagers involving more than one horse,
18 less breakage.

19 (e) An operator licensed under AS 05.15.122 may not conduct off-track parimutuel
20 wagering if the operator has been convicted at any time of a felony, and may not employ a
21 person to conduct or assist in the conducting of off-track parimutuel wagering if the operator
22 knows that the person has been convicted at any time of a felony, a crime involving theft or
23 dishonesty, or a violation of a municipal, state, or federal gambling law. A person who has been
24 convicted at any time of a felony, a crime involving theft or dishonesty, or a violation of
25 municipal, state, or federal gambling law may not conduct or assist in the conducting of off-track
26 parimutuel wagering.

27 (f) An operator may not accept, and a person may not make, wagers under this section
28 other than wagers made in person by the bettor at a location where the operator is conducting
29 parimutuel wagering. Wagers may not be made or accepted by telephone, facsimile transmission,
30 or similar means of transmission.

31 * Sec. 12. AS 05.15.210 is amended by adding new paragraphs to read:

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

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

12 * Sec. 13. AS 18.65.090 is amended by adding a new subsection to read:

13 (b) Upon receipt of the fingerprints of the applicant, and payment of fees authorized by
14 AS 44.41.025(b) and 44.41.040, the department shall perform a criminal history records check
15 of the persons listed in AS 05.15.122(c), and shall report the results of those records checks to
16 the Department of Commerce and Economic Development.